



**ACTUARIAL  
ASSOCIATES**

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September 7, 2007

Board of Trustees

**LOUISIANA STATE EMPLOYEES'  
RETIREMENT SYSTEM**

Post Office Box 44213

Baton Rouge, Louisiana 70804-4213

Ladies and Gentlemen:

This report presents the results of the actuarial valuation of assets and liabilities, as well as funding requirements, for the Louisiana State Employees' Retirement System as of June 30, 2007.

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

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

The present values shown herein have been calculated on the basis of the actuarial cost methods as specified in Louisiana Revised Statutes Title 11 Section 22(6). The actuarial assumptions, which have been approved by the Board of Trustees, are appropriate for the purpose of this valuation, are reasonable in the aggregate, and when applied in combination represent my best estimates of the anticipated experience under the plan.

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

	<b>June 30, 2007</b>	<b>----- Prior Years -----</b>	
		<b>June 30, 2006</b>	<b>June 30, 2005</b>
I. Membership Census			
1) Retirees	36,742	38,047	35,691
2) Actives	60,444	57,811	64,168
3) DROP	2,624	2,577	2,810
4) Terminated Vested	1,980	--- Included with Retiree Count ---	
II. Annual Benefits	\$648,710,016	\$585,965,688	\$540,446,640
III. Total Payroll	2,175,366,607	1,979,705,391	2,100,043,094
IV. Valuation Assets	8,292,218,289	7,384,136,522	6,644,245,130
V. Experience Account	275,351,338	171,905,146	105,289,193
VI. Investment Yield			
Market Value	18.55%	11.58%	9.87%
Actuarial Value	14.21%	12.96%	11.73%
VII. Cost to Fund Annual Pension	341,832,713	315,685,438	332,709,494
Accruals (Normal Costs)	15.71%	15.95%	15.84%
VIII. Unfunded Actuarial			
Accrued Liability	4,129,688,441	4,164,543,814	4,202,816,555
IX. Funded Percentage	66.8%	63.9%	61.3%
X. Funding Requirements to Pay			
(Mid-year payment)			
1) Employee Contribution	173,020,223	156,714,947	166,201,986
Rate	7.706%	7.689%	7.683%
2) Employer Contribution	422,466,234	407,161,864	407,835,937
Plus Peace Officer appropriation	317,366	148,723	-
Plus Alc/Tob Control appropriation	145,487	-	-
Rate (Current Year)	18.8%	20.0%	18.9%
3) Projected Employer Contribution	428,329,726	427,667,104	424,641,914
Plus Peace Officer appropriation	317,366	148,723	-
Plus Alc/Tob Control appropriation	145,487	-	-
Rate (Next Year)	18.5%	20.4%	19.1%

The above funding requirements measure the cost of benefits that were in effect on June 30, 2007, plus Acts of the 2007 Legislative Session not effective until after June 20, 2007 that will affect current active members. Peace Officers appropriation is per Act 414 of 2007. Alc/Tob appropriation is per Act 353 of 2007.

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### **Current Funding**

The Actuarial Valuation for the plan year ending June 30, 2007 discloses a decrease in the value of the plan's unfunded accrued liability as well as prospective funding requirements. 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 are expressed as a percentage of payroll. Act 81 of the 1988 Legislative Session provides for the amortization of the initial UAL, plus subsequent changes in benefits, methods or gain/loss experience.

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

#### CHANGE IN UNFUNDED LIABILITY

Unfunded Liability 6/30/2006		\$ 4,164,543,814
INCREASES		
Interest on Unfunded Liability	\$343,574,866	
Experience Account Allocation	243,547,257	
Employer Shortfall Charge	12,897,054	
Act 414 - Peace Officer Legislation	4,167,029	
Act 353 - ATC Legislation	1,237,185	
Retiree Cola	164,530,940	
Experience Loss	111,777,958	
Total Increases	881,732,289	
DECREASES		
Investment Gain	\$487,094,515	
Employer Amortization Payment	264,962,207	
Experience Account Distribution	164,530,940	
Total Decreases	916,587,662	
Unfunded Liability 6/30/2007		\$ 4,129,688,441

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The employer contribution rate established by the Public Retirement Systems' Actuarial Committee for the 2007-2008 plan year is 20.4%. The actual employer contribution rate determined by this valuation for the current plan year is 18.8%. The current adjusted rate is less than the required employer's contributions when compared to the projected rates, which should produce an employer contribution credit of 1.6%.

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 75 of 2005 pertains to Regular Employees hired on or after July 1, 2006. This Act increases the employee contribution to 8%, increases the computation period for Final Average Compensation to 60 months, and decreases the disability accrual rate to 1.8%.

Act 835 of 2006 increased the contribution rate to 9.0% and the annual accrual rate to 3.33% for Public Safety & Corrections Peace Officers for each year of qualifying service. Act 414 of 2007 modified the 3.33% accrual rate to apply to all service if employed as a Peace Officer on or before 6/30/2006. In addition, it allows an adjustment to DROP if participating in DROP or working after DROP on 6/30/07. For those employed as a Peace Officer after 6/30/06, the 3.33% accrual rate applies to service earned as a Peace Officer. The Act was interpreted to retain the same eligibility requirements, disability benefit, and determination of final average compensation are the same as Regular Employees pre-Act 75. The enhanced benefits are to be funded by the Department of Public Safety Peace Officers Fund.

Act 353 of 2007 creates a new plan for enforcement personnel of the Alcohol and Tobacco Control office within the Department of Revenue. Benefits for these members are similar to the benefits for Peace Officer's described above and are funded by the Department of Revenue Alcohol and Tobacco Control Officers Fund. All other benefit provisions remain the same as those for regular members.

### **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 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 12 of Exhibit 2.

The side-fund accounts excluded are as follows:

- **Initial UAL Amortization Fund:** This fund, originally established as the Texaco Settlement Fund, accumulates Texaco Settlement contributions as a separate account invested at LASERS' actuarial rate of return. Act 642 of 2006 added a special appropriation to liquidate the initial unfunded actuarial liability (UAL) in the same manner as the Texaco Settlement

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Fund. Once the value of the account equals the outstanding balance of the initial UAL, the account and initial actuarial unfunded liability will be liquidated. The current account balance and allocation is as follows:

Texaco Settlement Fund	\$ 37,744,325
<u>Legislative Appropriations</u>	<u>\$ 15,532,730</u>
Total IUAL Amortization Fund	\$ 53,277,055

- **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 COLAs for retirees. The benefit granted must be funded at 100% of actuarial cost. A 3.0% COLA was granted to eligible members July 1, 2007. Act 588 of 2004 restricts the account accumulation to no more than the reserve for two COLAs. The current account balance is \$275,351,338, which is less than the reserve for two COLAs.
  
- **Employer Credit Account:** This fund accumulates the excess of the minimum employer contribution rate established by Act 588 of 2004 over the tabular rate. The account was established 7/1/2004 and continues to have a zero balance.

**Investment Experience**

The investment yield on the actuarial value of assets during the recent past has been as follows for plan years ending June 30:

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>3 Yr. Aver.</u>	<u>5 Yr. Aver.</u>	<u>10 Yr. Aver</u>
11.73%	12.96%	14.21%	12.96%	8.06%	7.47%

The net actuarial rate of return assumed in the valuation was 8.25%. The net realized actuarial rate of return for the plan year ending June 30, 2007 was greater than the long-term investment assumption used to project benefits. The result was a net investment experience gain of \$487,094,515 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 plan experience, a gain or loss occurs. This gain or loss is then amortized over a 30 year period as a level dollar payment. During the 2006-2007 plan year, the system incurred a \$ 111,777,958 experience loss from sources other than investments.

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### **Funding as a Percentage of Payroll**

Act 81 of 1987 requires the employee to contribute 7.5% of payroll beginning in 1989. Act 75 of 2007 revised the contribution rate for Regular Members hired on or after July 1, 2006 to 8.0%. The employer pays a percentage of the normal cost plus a dollar amount sufficient to amortize the initial unfunded liability over a 40-year period with payments increasing 4.5% annually. Changes to the UAL are amortized as an increasing (I) or level dollar (L) payment, as indicated in Exhibit A. The employer contribution rate cannot drop below 12%, without regard to employer credits, and without a corresponding adjustment to the employee contribution rate. Maintaining the amortization payment as a level percentage of payroll requires aggregate payroll to increase at the same rate as the increase in amortization payments. To determine whether this is a reasonable statutorily required expectation, aggregate salary growth during the past 10-years is illustrated as follows:

<b><u>June 30</u></b>	<b><u>Payroll/\$1,000</u></b>	<b><u>Percent Increase</u></b>
1997	1,607,371	1.5%
1998	1,653,863	2.9%
1999	1,736,963	5.0%
2000	1,820,132	4.8%
2001	1,782,884	-2.0%
2002	1,861,887	4.4%
2003	1,924,680	3.4%
2004	2,017,726	4.8%
2005	2,100,043	4.1%
2006	1,979,706	-5.7%
2007	2,175,367	9.9%

During the last 10 years the aggregate salaries have increased at an annualized rate of 3.07%. If this trend continues, the percentage of pay required to amortize the unfunded liability can be expected to slightly increase in the absence of other experience gains or losses.

### **Distribution of Cost & Liabilities**

The aggregate funding for the Plan appears in Exhibit 1. The allocation of the annual cost to fund a year's benefit accrual, the Normal Cost, and the accumulative amount each member has accrued, is segregated by membership as follows:

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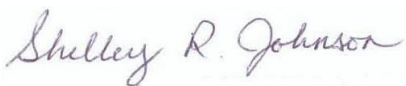
	<b>Normal Cost</b>	<b>% Pay</b>	<b>% Total</b>	<b>Accrued Liability</b>	<b>% Total</b>
Regular Members - old plan	267,600,000	15.1%	81.9%	4,139,600,000	89.4%
Regular Members - new plan	17,600,000	9.6%	5.4%	7,900,000	0.2%
Judges	9,500,000	24.1%	2.9%	118,400,000	2.6%
Legislators	600,000	26.4%	0.2%	10,700,000	0.2%
Corrections - old plan	4,300,000	21.9%	1.3%	69,500,000	1.5%
Corrections - new plan	23,500,000	16.7%	7.2%	233,000,000	5.0%
Wildlife - old plan	2,300,000	27.6%	0.7%	32,800,000	0.7%
Wildlife - new plan	440,000	21.7%	0.1%	790,000	0.0%
Peace Officers	850,000	18.0%	0.3%	13,400,000	0.3%
Alcohol Tobacco Control	240,000	14.6%	0.1%	2,750,000	0.1%

**Comments and Disclosures**

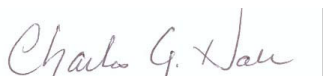
Exhibit 3, "Pension Accounting and Financial Disclosure", contains disclosure of the accrued liabilities under the Entry Age Normal Actuarial Cost Method required by the Governmental Accounting Standards Board Statement No. 25.

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

Sincerely,



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 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, 2007</u>		<u>---- Prior Year ----</u> <u>June 30, 2006</u>	
	<b>Dollar Amount</b>	<b>% of Salary</b>	<b>Dollar Amount</b>	<b>% of Salary</b>
<b>I. Normal Costs</b>				
(to fund annual pension accruals)				
Active Members with Complete Data				
a) Retirement Benefits	268,949,812	12.36%	249,898,509	12.62%
b) Disability Benefits	6,005,365	0.28%	5,613,759	0.28%
c) Survivor Benefits	11,039,359	0.51%	10,018,435	0.51%
d) Voluntary Termination	40,938,177	1.88%	34,954,735	1.77%
e) Expenses	14,900,000	0.68%	15,200,000	0.77%
<b>TOTAL</b>	341,832,713	15.71%	315,685,438	15.94%
 <b>II. Actuarial Accrued Liability</b>				
a) Active Members				
1) Retirement Benefits	4,118,501,867		3,940,643,090	
2) Disability Benefits	76,227,366		75,168,212	
3) Survivor Benefits	111,482,985		107,404,621	
4) Voluntary Termination	322,439,750		315,630,490	
	4,628,651,968		4,438,846,413	
b) Retired and Inctive Members				
1) Regular Retirees	4,962,030,986		4,564,794,332	
2) Disability Benefits	157,385,454		159,168,712	
3) Survivors	572,551,025		515,524,768	
4) Vested Deferred	115,532,422		143,461,215	
5) Contributions Refunded	60,275,972		66,222,821	
6) DROP Deferred Benefits	1,286,203,974		1,166,205,503	
7) DROP Account Balances	639,274,929		494,456,572	
	7,793,254,762		7,109,833,923	
c) Total	12,421,906,730		11,548,680,336	

**Exhibit 1 (Continued)**  
**Costs, Liabilities & Contributions**

	<u>June 30, 2007</u>	<u>---- Prior Year ---- June 30, 2006</u>
II. Actuarial Accrued Liability	12,421,906,730	11,548,680,336
III. Valuation Assets	8,292,218,289	7,384,136,522
IV. Unfunded Actuarial Accrued Liabilities - Projected Unit Credit <sup>1</sup>	4,129,688,441	4,164,543,814
a) Change over prior year	-34,855,373	-38,272,741
b) Funded Percentage	66.8%	63.9%
V. Employer Contributions To Fund Current Plan Year <sup>1</sup>		
a) Employer Portion of Normal Cost	164,417,618	152,644,529
b) Amortization Payments	239,229,001	236,622,903
c) Prior Contribution Variance	19,282,468	18,042,518
TOTAL Required Contribution	<u>422,929,087</u>	<u>407,309,950</u>
Less, Act 414 appropriation	317,366	148,723
Less, Act 353 appropriation	145,487	
NET contribution required	<u>422,466,234</u>	<u>407,161,227</u>
	18.8%	20.0%
PERSAC Approved rate <sup>2</sup>	20.4%	19.1%
Employer Normal Cost Rate	7.3229%	7.4893%
VI. Projected Employer Contributions To Fund Next Plan Year <sup>1</sup>		
a) Employer Portion of Normal Cost	169,190,218	156,818,649
b) Amortization Payments	253,432,998	250,215,247
c) Prior Contribution Variance	6,169,363	20,781,931
TOTAL Required Contribution	<u>428,792,579</u>	<u>427,815,827</u>
Less, Act 414 appropriation	317,366	148,723
Less, Act 353 appropriation	145,487	
NET contribution required	<u>428,329,726</u>	<u>427,667,104</u>
	18.5%	20.4%
VII. Current Payroll	2,175,366,607	1,979,705,391
Projected Payroll - Mid Year	2,245,266,327	2,038,170,718
Projected Payroll - Next Year	2,310,440,355	2,093,905,230

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

<sup>2</sup> Constitutional Minimum is 12% without regards to Employer Credits.

## EXHIBIT 2

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

	----- Prior Years -----		
	June 30, 2007	June 30, 2006	June 30, 2005
<b><u>OPERATING REVENUES:</u></b>			
<b>1. Contribution Income</b>			
Member	\$ 167,957,870	\$ 165,509,666	\$ 169,143,849
Employer	416,329,361	411,250,496	391,870,045
ORP	730,009	657,413	539,213
<b>2. Other Income</b>			
Legislative Appropriations	0	13,600,000	0
Transfers/Purchases	6,328,737	21,769,527	31,391,519
Miscellaneous	5,226,537	10,688,345	5,432,948
<b>TOTAL CONTRIBUTIONS</b>	<b>596,572,514</b>	<b>623,475,447</b>	<b>598,377,574</b>
<b>3. Investment Income</b>			
Investments	1,506,461,212	862,077,612	674,460,245
Less, Investment Expenses	-32,962,019	-28,869,631	-24,114,417
<b>TOTAL INVESTMENT INCOME</b>	<b>1,473,499,193</b>	<b>833,207,981</b>	<b>650,345,828</b>
<b>4. Total Revenues</b>	<b>2,070,071,707</b>	<b>1,456,683,428</b>	<b>1,248,723,402</b>
<b><u>OPERATING EXPENSES:</u></b>			
<b>1. General Administration</b>	14,889,428	15,192,280	15,999,373
Other Expenses	894,622	849,292	2,634,940
<b>2. Benefits Paid</b>			
a) Pension Benefits	673,617,033	620,367,483	581,665,143
b) Return of Contrib.	38,030,600	37,821,549	30,357,552
<b>TOTAL BENEFITS PAID</b>	<b>711,647,633</b>	<b>658,189,032</b>	<b>612,022,695</b>
<b>3. Total Operating Expenses</b>	<b>727,431,683</b>	<b>674,230,604</b>	<b>630,657,008</b>
<b><u>NET INCOME:</u></b>	<b>1,342,640,024</b>	<b>782,452,824</b>	<b>618,066,394</b>

**EXHIBIT 2 (Continued)**  
**Financial Summary**

**FINANCIAL SUMMARY  
STATEMENT OF ASSETS  
FOR FISCAL YEAR ENDING**

<b><u>ASSETS:</u></b> (at market)	<b>----Prior Years---</b>		
	<b>June 30, 2007</b>	<b>June 30, 2006</b>	<b>June 30, 2005</b>
1. Short Term Assets			
Cash/Cash Equivalencies	\$ 67,611,116	\$ 65,797,087	\$ 73,610,366
Short term Investments	483,463,603	267,778,423	254,840,991
2. Bonds			
Domestic issues	1,274,967,314	1,302,728,282	1,245,054,738
International Issues	559,059,972	536,943,431	486,363,472
3. Equities			
Common Stock	3,493,953,832	3,505,030,320	3,170,620,989
International Stock	2,354,383,065	1,396,915,595	1,242,685,966
4. Other Assets			
Fixed Assets	13,579,901	10,183,795	7,147,082
Real Estate & Alternative Assets	1,064,709,394	857,963,120	718,231,558
5. Receivables(-)Payables	39,419,373	65,167,493	27,499,560
TOTAL ASSETS - Market Value	9,351,147,570	8,008,507,546	7,226,054,722
Cost Value	7,688,861,952	7,110,086,054	6,594,405,543

**ACTUARIAL VALUE OF ASSETS:**

TOTAL ASSETS	\$ 9,351,147,570	\$ 8,008,507,546	\$ 7,226,054,722
Change in Unrealized (G/L)			
Plan Year - 2 (wt. 1/4)	96,066,547	630,822,217	239,217,198
Plan Year - 1 (wt. 2/4)	266,772,313	96,066,547	630,822,217
Plan Year (wt. 3/4)	763,864,126	266,772,313	96,066,547
Actuarial Value of Assets	8,620,846,682	7,602,689,484	6,778,789,404

**INVESTMENT YIELD:**

Yield to Market Value	18.55%	11.58%	9.87%
Yield to Actuarial Value	14.21%	12.96%	11.73%
Five Year Actuarial Value	8.06%	4.28%	1.85%
DROP Account Yield	13.71%	12.46%	11.23%

**EXHIBIT 2 (Continued)**  
**Financial Summary**

**FINANCIAL SUMMARY  
STATEMENT OF ASSETS  
FOR FISCAL YEAR ENDING**

	---- Prior Years ----		
	June 30, 2007	June 30, 2006	June 30, 2005
<b><u>EMPLOYER CREDIT ACCOUNT<sup>1</sup>:</u></b>			
Prior Year Ending Balance	\$ -	\$ -	\$ -
+ Contributions	-	-	-
- Disbursements	-	-	-
+ Accumulated Interest	-	-	-
Account Balance - Year End	-	-	-
<b><u>INITIAL UAL FUND:</u></b>			
Prior Year Ending Balance	\$ 46,647,816	\$ 29,255,081	\$ 26,184,218
+ Current Year Allocation	-	13,600,000	-
+ Accumulated Interest	6,629,239	3,792,735	3,070,863
Fund Balance - Year End	53,277,055	46,647,816	29,255,081
<b><u>EXPERIENCE ACCOUNT FUND:</u></b>			
Prior Year Ending Balance	\$ 171,905,146	\$ 105,289,193	\$ -
+ Experience Account Allocation	243,547,257	155,832,126	105,289,193
- Benefit Disbursements	164,530,940	102,866,246	-
+ Accumulated Interest	24,429,875	13,650,073	-
Fund Balance - Year End	275,351,338	171,905,146	105,289,193
<b><u>DEVELOPMENT OF VALUATION ASSETS:</u></b>			
Actuarial Value of Assets	\$ 8,620,846,682	\$ 7,602,689,484	\$ 6,778,789,404
- Employer Credit Account	-	-	-
- Initial UAL Fund	53,277,055	46,647,816	29,255,081
- Experience Account Fund	275,351,338	171,905,146	105,289,193
Valuation Assets	8,292,218,289	7,384,136,522	6,644,245,130

<sup>1</sup>The Employer Credit Account was created by ACT 588 of 2004.

**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 <sup>1</sup> (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) <sup>1</sup> (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
1998	5,067,795	6,953,096	1,885,301	72.9%	1,653,863	114.0%
1999	5,574,958	7,582,856	2,007,898	73.5%	1,736,963	115.6%
2000	6,170,978	8,257,313	2,086,335	74.7%	1,820,132	114.6%
2001	6,418,296	8,652,591	2,234,295	74.2%	1,782,884	125.3%
2002	6,460,594	9,206,734	2,746,140	70.2%	1,861,887	147.5%
2003	6,487,538	9,796,306	3,308,768	66.2%	1,924,680	171.9%
2004	6,097,815	10,237,574	4,139,759	59.6%	2,017,726	205.2%
2005	6,673,500	10,847,062	4,173,562	61.5%	2,100,043	198.7%
2006	7,430,784	11,548,680	4,117,896	64.3%	1,979,705	208.0%
2007	8,345,495	12,421,907	4,076,411	67.2%	2,175,367	187.4%

The total actuarial accrued liability determined using the Projected Unit Credit cost method increased by \$873,226,730 from June 30, 2006 to June 30, 2007. There was a net experience gain of \$131,000,739. Acts 414 and 353 of 2007 enhanced benefits for Peace Officers and Alcohol Tobacco Control employees, increasing the liability \$5,404,214.

<sup>1</sup>UAAL differs from the UFAL for funding purposes. UFAL for funding purposes excludes Texaco Settlement Fund Assets; which appears on pages 5 & 13.

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

**SUPPLEMENTARY INFORMATION**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fiscal Year	Actuarial Required Contribution	Percent Contributed	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation <sup>1</sup>
1998	221,933,246	104.90%	221,250,489	232,843,174	105.2%	-9,670,401
1999	226,387,848	102.10%	228,233,262	231,043,705	101.2%	-12,480,844
2000	250,678,505	99.8%	254,123,833	250,143,249	98.4%	-8,500,260
2001	258,281,738	100.7%	260,125,807	260,029,744	100.0%	-8,404,197
2002	279,119,335	97.2%	281,791,315	271,339,452	96.3%	2,047,670
2003	326,335,197	94.8%	328,772,738	309,595,244	94.1%	21,225,164
2004	367,881,226	95.4%	364,930,168	350,787,845	96.1%	35,367,487
2005	411,727,561	99.2%	404,460,067	408,275,385	100.9%	31,552,169
2006	423,502,813	93.1%	415,185,175	394,108,196	94.9%	52,629,148
2007	434,796,738	97.0%	420,366,617	421,899,682	100.4%	51,096,083

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

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

**DEVELOPMENT OF NET PENSION OBLIGATION:**

(1) Actuarial Required Contribution	434,796,738
(2) Interest on Net Pension Obligation	4,341,905
(3) Amortization of Net Pension Obligation	<u>18,772,024</u>
(4) Annual Pension Cost (1)+(2)-(3)	420,366,619
(5) Employer Contribution	421,899,682
(6) Increase (decrease) in Net Pension Obligation	-1,533,065
(7) Net Pension Obligation Beginning of Year	52,629,148
(8) Net Pension Obligation End of Year (6)+(7)	51,096,083

<sup>1</sup> 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				
Fiscal Year	Members Contribution	Employer Contribution <sup>1</sup>	Investment Income	Total
1998	129,724,456	229,834,528	464,769,328	824,328,312
1999	135,479,230	228,104,989	470,204,750 <sup>2</sup>	833,788,969 <sup>2</sup>
2000	147,090,812	244,763,341	665,087,756	1,056,941,909
2001	144,603,488	257,315,718	-408,921,854	-7,002,648
2002	151,350,321	270,738,589	-342,821,109	79,267,801
2003	159,469,854	307,427,163	212,771,376 <sup>3</sup>	679,668,393 <sup>3</sup>
2004	163,277,178	345,317,005	996,067,481 <sup>3</sup>	1,504,661,664 <sup>3</sup>
2005	169,143,849	429,233,725	650,345,828	1,248,723,402
2006	165,509,666	457,965,781	833,207,981	1,456,683,428
2007	167,957,870	428,614,644	1,473,499,193	2,070,071,707

Expenses by Type				
Fiscal Year	Benefits	Refunds	Administrative Expenses <sup>4</sup>	Total
1998	359,625,826	32,156,373	9,205,446	400,987,645
1999	397,966,405	31,851,567	8,789,889	438,607,861
2000	424,142,312	32,300,258	10,242,213	466,684,783
2001	452,637,691	36,147,087	13,872,637	502,657,415
2002	498,392,717	31,391,355	13,259,572	543,043,644
2003	544,009,581	25,043,817	11,829,437	580,882,835
2004	573,152,747	28,760,064	13,424,318	615,337,129
2005	581,665,143	30,357,552	18,634,313	630,657,008
2006	620,367,483	37,821,549	16,041,572	674,230,604
2007	673,617,033	38,030,600	15,784,050	727,431,683

<sup>1</sup> Includes transfers and purchases and the annual employer contribution.

<sup>2</sup> Prior to 6/30/99, reported realized investment income. A change in Asset Valuation Method now reports realized and unrealized investment income at market (see Exhibit 6).

<sup>3</sup> The auditors have restated Net Income to include unrealized market value from the security lending program previously reported as \$889,281,150 for 2004 and \$98,865,745 for 2003. The adjustments were deemed immaterial for valuation purposes for prior years.

<sup>4</sup> Includes other expenses, not related to the administration of daily operation.



**EXHIBIT 4**

**CENSUS DATA**

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 database. Prior to processing, records identified as containing suspicious data were assumed to possess the same characteristics of "good data" in the same cohort based upon the following possible errors:

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

Suspicious data are not necessarily errors, but data, which falls outside the parameters of the editing process for further checking. There were no records purged from the database.

Salary data contained in the profiles and valuation report exceed the amount 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. The following is a summary by plan of the data submitted for valuation:

	<b>Census</b>		
	<b>2007</b>	<b>2006</b>	<b>2005</b>
Active Members	60,444	57,811	64,168
Regular Retirees	30,190	28,944	27,646
Disability Retirees	1,134	1,202	1,199
Survivors	5,418	5,409	5,360
Vested & Reciprocals	1,980	2,492	1,486
Due Refunds	43,797	43,382	34,379
DROP Participants	2,624	2,577	2,810
<b>Total</b>	<b>145,587</b>	<b>141,817</b>	<b>137,048</b>

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
REGULAR MEMBERS BEFORE 7/06

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2007

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35- )	Total
[ 0 - 19):	0	23	0	0	0	0	0	0	0	23
	0	335811	0	0	0	0	0	0	0	335811
[20 - 24):	0	827	33	0	0	0	0	0	0	860
	0	17882529	785075	0	0	0	0	0	0	18667604
[25 - 29):	0	2280	782	32	0	0	0	0	0	3094
	0	62702592	22288351	1035185	0	0	0	0	0	86026128
[30 - 34):	0	1699	1731	472	23	0	0	0	0	3925
	0	49543650	59666985	16459926	961214	0	0	0	0	126631775
[35 - 39):	0	1498	1731	1372	555	29	1	0	0	5186
	0	44345996	60427676	53908749	22661054	1152460	41141	0	0	182537076
[40 - 44):	0	1348	1494	1354	1436	744	189	1	0	6566
	0	40924459	49417568	52392807	63439823	31602824	8127052	71788	0	245976321
[45 - 49):	0	1394	1495	1426	1413	1418	1844	44	0	9034
	0	40998645	48621901	54031073	59785045	64994323	83284228	2055542	0	353770757
[50 - 54):	0	1154	1364	1370	1321	1045	2183	253	9	8699
	0	35858644	45508652	52503418	56638288	47268410	107346983	14394333	507381	360026109
[55 - 59):	0	730	1043	1104	1116	803	301	181	21	5299
	0	23343179	34452563	41605033	47018042	36010019	15844229	11940679	1157623	211371367
[60 - 64):	0	220	529	365	291	138	97	31	25	1696
	0	7179370	18068276	13662031	12703548	6829912	5008004	1472582	1540547	66464270
[65 - 69):	0	45	80	85	77	47	30	13	7	384
	0	1634650	2641439	3566051	3429898	2076139	1546882	658132	621648	16174839
[70 - 74):	0	15	25	25	29	18	24	11	6	153
	0	431999	846543	973249	1189855	863744	1045572	473881	322425	6147268
Total	0	11233	10307	7605	6261	4242	4669	534	68	44919
	0	325181524	342725029	290137522	267826767	190797831	222244091	31066937	4149624	1674129325

AVERAGES --- Attained Age 45.44  
Service Years 12.28  
Active Salary 37,270

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
REGULAR MEMBERS after 7/06

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2007

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35- )	Total
[ 0 - 19)	168	0	0	0	0	0	0	0	0	168
	2566101	0	0	0	0	0	0	0	0	2566101
[20 - 24)	1426	0	0	0	0	0	0	0	0	1426
	26644520	0	0	0	0	0	0	0	0	26644520
[25 - 29)	1561	0	0	0	0	0	0	0	0	1561
	34567835	0	0	0	0	0	0	0	0	34567835
[30 - 34)	1108	0	0	0	0	0	0	0	0	1108
	26938246	0	0	0	0	0	0	0	0	26938246
[35 - 39)	1117	0	0	0	0	0	0	0	0	1117
	27914440	0	0	0	0	0	0	0	0	27914440
[40 - 44)	801	0	0	0	0	0	0	0	0	801
	19306135	0	0	0	0	0	0	0	0	19306135
[45 - 49)	737	0	0	0	0	0	0	0	0	737
	18914822	0	0	0	0	0	0	0	0	18914822
[50 - 54)	612	0	0	0	0	0	0	0	0	612
	16575845	0	0	0	0	0	0	0	0	16575845
[55 - 59)	262	0	0	0	0	0	0	0	0	262
	7718147	0	0	0	0	0	0	0	0	7718147
[60 - 64)	55	0	0	0	0	0	0	0	0	55
	1532337	0	0	0	0	0	0	0	0	1532337
[65 - 69)	15	0	0	0	0	0	0	0	0	15
	321270	0	0	0	0	0	0	0	0	321270
[70 - 74)	1	0	0	0	0	0	0	0	0	1
	15667	0	0	0	0	0	0	0	0	15667
Total	7863	0	0	0	0	0	0	0	0	7863
Total	183015365	0	0	0	0	0	0	0	0	183015365

AVERAGES --- Attained Age 35.15  
Service Years 0.44  
Active Salary 23,276

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
PARTICIPATING LEGISLATORS

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2007

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	1	0	0	0	0	0	1
[40 - 44)	0	0	0	2	1	0	0	0	0	3
[45 - 49)	0	0	0	2	1	2	0	0	0	5
[50 - 54)	0	0	0	0	4	1	0	0	0	5
[55 - 59)	0	0	1	4	5	1	2	1	0	14
[60 - 64)	0	1	0	1	1	0	1	0	0	4
[65 - 69)	0	0	0	1	0	4	1	0	0	6
[70 - 74)	0	0	0	1	2	0	1	1	1	6
<b>Total</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>12</b>	<b>14</b>	<b>8</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>44</b>
<b>Total</b>	<b>0</b>	<b>65998</b>	<b>36376</b>	<b>544132</b>	<b>632283</b>	<b>326207</b>	<b>348720</b>	<b>85838</b>	<b>39389</b>	<b>2078943</b>

AVERAGES --- Attained Age 58.20  
Service Years 18.22  
Active Salary 47,249

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
ACTIVE JUDGES

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2007

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	4	3	1	0	0	0	0	0	8
[40 - 44)	0	11	7	5	0	0	0	0	0	23
[45 - 49)	2	6	13	24	7	1	1	0	0	54
[50 - 54)	2	9	15	34	20	7	3	0	0	90
[55 - 59)	1	7	11	31	16	6	4	1	0	77
[60 - 64)	0	8	4	10	5	5	9	1	0	42
[65 - 69)	0	0	1	8	5	3	1	1	0	19
[70 - 74)	0	0	0	2	1	0	0	0	0	3
Total	5	45	54	115	54	22	18	3	0	316
Total	491366	4705463	5650554	12645517	5865707	2395672	1978026	315286	0	34047591

AVERAGES --- Attained Age 54.24  
Service Years 12.61  
Active Salary 107,746

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
WILDLIFE before 2003

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2007

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	4	7	0	0	0	0	0	0	11
[30 - 34)	0	3	30	5	1	0	0	0	0	39
[35 - 39)	0	1	17	13	8	1	0	0	0	40
[40 - 44)	0	2	6	6	10	5	0	0	0	29
[45 - 49)	0	0	1	5	8	5	2	0	0	21
[50 - 54)	0	0	0	1	1	5	1	2	0	10
[55 - 59)	0	0	1	0	2	2	2	0	0	7
[60 - 64)	0	0	0	0	0	0	0	0	0	0
[65 - 69)	0	0	0	0	0	1	0	0	0	1
[70 - 74)	0	0	0	0	0	0	0	0	0	0
Total	0	10	62	30	30	19	5	2	0	158
Total	0	426804	2863175	1551481	1677904	1148919	327569	158576	0	8154428

AVERAGES --- Attained Age 39.66  
Service Years 12.59  
Active Salary 51,610

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
WILDLIFE after 2003

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2007

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)	5	11	0	0	0	0	0	0	0	16
	158520	344795	0	0	0	0	0	0	0	503315
[25 - 29)	10	23	0	0	0	0	0	0	0	33
	283025	804813	0	0	0	0	0	0	0	1087838
[30 - 34)	0	6	0	0	0	0	0	0	0	6
	0	210303	0	0	0	0	0	0	0	210303
[35 - 39)	1	5	0	0	0	0	0	0	0	6
	28272	171335	0	0	0	0	0	0	0	199607
[40 - 44)	1	0	0	0	0	0	0	0	0	1
	28250	0	0	0	0	0	0	0	0	28250
[45 - 49)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[50 - 54)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[55 - 59)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[60 - 64)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[65 - 69)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[70 - 74)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>17</b>	<b>45</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62</b>
<b>Total</b>	<b>498067</b>	<b>1531246</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2029313</b>

AVERAGES --- Attained Age 27.76  
Service Years 1.68  
Active Salary 32,731

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
CORRECTIONS before 1986

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2007

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 - 19):	0	0	0	0	0	0	0	0	0	0
[20 - 24):	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
[25 - 29):	0	0	0	0	0	0	0	0	0	0
[30 - 34):	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	5	0	0	0	5
[35 - 39):	0	0	0	0	0	230784	0	0	0	230784
[40 - 44):	0	0	0	0	0	42	1	0	1	44
[40 - 44):	0	0	0	0	0	2138263	49390	0	21770	2209423
[45 - 49):	0	0	0	0	0	66	13	1	0	80
[45 - 49):	0	0	0	0	0	3356573	524366	69728	0	3950667
[50 - 54):	0	0	0	0	0	32	18	2	0	52
[50 - 54):	0	0	0	0	0	1543807	963801	81491	0	2589099
[55 - 59):	0	0	0	0	0	21	2	1	0	24
[55 - 59):	0	0	0	0	0	1006901	93970	56075	0	1156946
[60 - 64):	0	0	0	0	0	9	1	1	0	11
[60 - 64):	0	0	0	0	0	417594	24755	40673	0	483022
[65 - 69):	0	0	0	0	0	2	2	1	0	5
[65 - 69):	0	0	0	0	0	111055	86681	34000	0	231736
[70 - 74):	0	0	0	0	0	1	1	0	0	2
[70 - 74):	0	0	0	0	0	55411	43200	0	0	98611
Total	0	0	0	0	0	178	38	6	1	223
Total	0	0	0	0	0	8860388	1786163	281967	21770	10950288

AVERAGES --- Attained Age 50.01  
Service Years 23.26  
Active Salary 49,104



MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
CORRECTIONS after 1986

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2007

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35- )	Total
[ 0 - 19):	49	3	0	0	0	0	0	0	0	52
	935606	62716	0	0	0	0	0	0	0	998322
[20 - 24):	224	174	14	0	0	0	0	0	0	412
	4600490	3784491	364762	0	0	0	0	0	0	8749743
[25 - 29):	157	279	167	8	0	0	0	0	0	611
	3255506	6707364	4775237	283447	0	0	0	0	0	15021554
[30 - 34):	96	189	216	80	6	0	0	0	0	587
	1980385	4667899	6553219	2894795	252505	0	0	0	0	16348803
[35 - 39):	111	152	222	174	108	0	0	0	0	767
	2716045	3876181	6861117	6692222	4740082	0	0	0	0	24885647
[40 - 44):	57	147	211	110	197	18	0	0	0	740
	1304881	3638453	6424843	3932258	8830896	875904	0	0	0	25007235
[45 - 49):	56	112	187	86	139	11	0	0	0	591
	1320842	2876387	5674456	3199432	6066904	509560	0	0	0	19647581
[50 - 54):	48	70	142	67	115	3	0	0	0	445
	947051	1684071	4267125	2502908	4981051	155266	0	0	0	14537472
[55 - 59):	12	56	81	71	97	5	0	0	0	322
	301004	1429168	2523093	2550456	4170023	217860	0	0	0	11191604
[60 - 64):	2	21	27	17	22	2	0	0	0	91
	68638	578011	823212	611669	977931	89757	0	0	0	3149218
[65 - 69):	2	4	4	5	3	0	0	0	0	18
	126724	109633	127365	177640	131431	0	0	0	0	672793
[70 - 74):	0	1	1	0	2	0	0	0	0	4
	0	21842	36825	0	86871	0	0	0	0	145538
Total	814	1208	1272	618	689	39	0	0	0	4640
Total	17557173	29436216	38431254	22844827	30237694	1848347	0	0	0	140355511

AVERAGES --- Attained Age 39.51  
Service Years 7.19  
Active Salary 30,249

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
PEACE OFFICERS

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2007

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35- )	Total
[ 0 - 19):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:										
[20 - 24):	0	4	0	0	0	0	0	0	0	4
:	0	111174	0	0	0	0	0	0	0	111174
:										
[25 - 29):	2	7	3	0	0	0	0	0	0	12
:	54344	180088	82512	0	0	0	0	0	0	316944
:										
[30 - 34):	0	4	5	4	0	0	0	0	0	13
:	0	132900	171257	148717	0	0	0	0	0	452874
:										
[35 - 39):	1	4	3	2	4	0	0	0	0	14
:	20935	95727	121147	75169	161535	0	0	0	0	474513
:										
[40 - 44):	1	1	4	3	11	3	0	0	0	23
:	27189	27811	152511	136855	468168	139866	0	0	0	952400
:										
[45 - 49):	1	1	3	2	4	1	5	0	0	17
:	41787	26085	96833	82190	172361	43025	248330	0	0	710611
:										
[50 - 54):	0	2	2	1	5	2	6	2	0	20
:	0	66169	77261	43041	215247	87552	270443	82181	0	841894
:										
[55 - 59):	0	3	4	2	0	2	2	0	0	13
:	0	129226	171805	86294	0	93656	84907	0	0	565888
:										
[60 - 64):	0	3	3	1	0	0	0	0	0	7
:	0	116494	134228	58195	0	0	0	0	0	308917
:										
[65 - 69):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:										
[70 - 74):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:										
Total	5	29	27	15	24	8	13	2	0	123
Total	144254	885674	1007554	630461	1017311	364099	603680	82181	0	4735214

AVERAGES --- Attained Age 43.91  
Service Years 12.36  
Active Salary 38,498

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
ALCOHOL TOBACCO CONTROL

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2007

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)	1	1	0	0	0	0	0	0	0	2
[25 - 29)	1	1	1	0	0	0	0	0	0	3
[30 - 34)	1	4	3	0	0	0	0	0	0	8
[35 - 39)	0	1	2	6	2	0	0	0	0	11
[40 - 44)	0	0	1	0	2	0	0	0	0	3
[45 - 49)	0	0	2	1	2	1	0	0	0	6
[50 - 54)	0	0	0	2	0	0	0	0	0	2
[55 - 59)	0	1	1	1	0	0	0	0	0	3
[60 - 64)	0	0	0	0	0	0	0	0	0	0
[65 - 69)	0	0	0	0	0	0	0	0	0	0
[70 - 74)	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>8</b>	<b>10</b>	<b>10</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38</b>
<b>Total</b>	<b>81294</b>	<b>290985</b>	<b>376788</b>	<b>506466</b>	<b>331885</b>	<b>51771</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1639189</b>

AVERAGES --- Attained Age 39.07  
Service Years 9.18  
Active Salary 43,137

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
ACTIVE AFTER DROP

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY  
DROP BENEFITS

VALUATION DATE 6/30/2007

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):	6	3	2	0	0	0	0	0	0	11
:	221058	133754	93489	0	0	0	0	0	0	448301
:	111144	51384	32784	0	0	0	0	0	0	195312
[45 - 49):	11	5	7	11	4	5	0	0	0	43
:	374442	290579	325160	569267	230313	272694	0	0	0	2062455
:	242844	101760	123336	183324	61380	66468	0	0	0	779112
[50 - 54):	87	62	26	18	11	19	0	0	0	223
:	3390253	3181299	1465126	950884	630008	1000128	0	0	0	10617698
:	2453292	1676904	719688	399372	189204	296460	0	0	0	5734920
[55 - 59):	176	226	89	66	40	41	0	0	0	638
:	7191910	12636338	5090404	3630183	2159401	2404771	0	0	0	33113007
:	4985016	6766740	2665824	1800732	985596	939276	0	0	0	18143184
[60 - 64):	140	148	115	74	56	117	0	0	0	650
:	4994559	6800471	6589297	4306679	3002348	7088434	0	0	0	32781788
:	2641188	2631180	3215388	1923912	1419216	3291828	0	0	0	15122712
[65 - 69):	8	18	84	61	57	114	3	0	0	345
:	202382	678068	3998597	2688850	2677921	5766704	156118	0	0	16168640
:	69420	164388	1312776	892560	890292	2129388	65364	0	0	5524188
[70 - 74):	2	6	12	9	14	93	12	0	0	148
:	87781	352886	444265	413825	790890	4895771	542037	0	0	7527455
:	22164	113580	129312	162000	322260	1529568	214236	0	0	2493120
Total :	430	468	335	239	182	389	15	0	0	2058
Total :	16462385	24073395	18006338	12559688	9490881	21428502	698155	0	0	102719344
Total :	10525068	11505936	8199108	5361900	3867948	8252988	279600	0	0	47992548

AVERAGES --- Attained Age 61.14  
Post Drop Years 3.01  
Active Salary 49,912  
Annual Benefit 23,320

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
POST RETIREMENT SERVICE

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2007

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	2	1	0	0	0	0	0	0	3
[45 - 49)	2	10	4	0	0	0	0	0	0	16
[50 - 54)	2	18	23	0	1	0	0	0	0	44
[55 - 59)	2	21	28	0	0	0	0	1	0	52
[60 - 64)	13	17	39	1	0	0	3	0	0	73
[65 - 69)	1	13	61	2	1	1	1	0	1	81
[70 - 74)	1	5	51	3	3	1	1	1	2	68
Total	21	86	207	6	5	2	5	2	3	337
Total	491566	3308589	7041170	182100	176733	60000	121642	43140	87156	11512096

AVERAGES --- Attained Age 62.71  
Service Years 6.12  
Active Salary 34,161

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS RETIRED

STATE EMPLOYEES' SYSTEM  
REGULAR RETIREES

CELLS DEPICT - MEMBER COUNT  
TOTAL BENEFITS

VALUATION DATE 6/30/2007

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
:	25080	0	0	0	0	0	0	0	0	25080
[40 - 44):	18	19	11	5	4	16	0	0	0	73
:	294312	261072	155688	59628	82416	219156	0	0	0	1072272
[45 - 49):	92	90	45	44	49	153	7	0	0	480
:	1956396	1401396	774108	536424	615816	1895052	82992	0	0	7262184
[50 - 54):	341	351	199	124	97	367	81	3	0	1563
:	9039864	9151752	4747464	2785788	1743420	4909344	1045392	39768	0	33462792
[55 - 59):	530	794	501	414	370	968	187	14	1	3779
:	14795772	21170136	13709664	11625072	9187968	21247776	2908560	219960	6636	94871544
[60 - 64):	503	611	546	498	526	1993	614	117	71	5479
:	8659428	11019168	10745040	11204016	11244168	47955444	12282876	1545336	810708	115466184
[65 - 69):	97	155	233	310	414	2317	1223	240	387	5376
:	1326852	2562480	3720204	5029464	6805656	44079180	26094372	4001664	6918540	100538412
[70 - 74):	25	43	33	61	79	1324	1562	465	1185	4777
:	489636	688236	587232	1029012	1806564	20970564	28692480	8254824	20733456	83252004
[75 - 79):	2	5	6	12	22	339	1156	825	1465	3832
:	30180	112836	100008	227292	432888	5891868	18870396	10959384	24230388	60855240
[80 - 84):	1	1	2	1	4	99	332	611	1755	2806
:	26532	17508	14484	3252	56376	1903224	6547128	7567356	25621896	41757756
[85 - 89):	0	1	2	0	0	12	34	140	1326	1515
:	0	50592	107580	0	0	174780	824136	2180028	17632272	20969388
[90 - 99):	0	0	0	0	0	0	3	5	501	509
:	0	0	0	0	0	0	81684	104412	5637504	5823600
Total	1610	2070	1578	1469	1565	7588	5199	2420	6691	30190
Total	36644052	46435176	34661472	32499948	31975272	149246388	97430016	34872732	101591400	565356456

AVERAGES --- Attained Age 69.08  
Years Retired 11.31  
Annual Benefit 18,727

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS RETIRED

STATE EMPLOYEES' SYSTEM  
DISABILITY RETIREES

CELLS DEPICT - MEMBER COUNT  
TOTAL BENEFITS

VALUATION DATE 6/30/2007

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20- )	Total
[ 0 - 39):	5	4	3	2	1	1	0	0	0	16
:	55308	64344	40824	18480	8880	9900	0	0	0	197736
[40 - 44):	2	12	11	3	9	18	3	0	0	58
:	17124	139500	162576	36840	118776	195696	15864	0	0	686376
[45 - 49):	22	20	16	21	27	61	26	6	0	199
:	360744	289836	356316	328572	346044	710280	205716	34848	0	2632356
[50 - 54):	49	39	40	27	38	126	59	19	8	405
:	774744	682884	737904	413676	550536	1659204	606036	135816	47112	5607912
[55 - 59):	25	44	36	31	31	139	93	37	14	450
:	350592	635400	504192	402108	413436	1639656	1091064	329712	119400	5485560
[60 - 64):	1	0	1	1	0	1	2	0	0	6
:	15672	0	21672	19572	0	5004	30492	0	0	92412
[65 - 69):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[70 - 74):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[75 - 79):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[80 - 84):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[85 - 89):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[90 - 99):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
Total	104	119	107	85	106	346	183	62	22	1134
Total	1574184	1811964	1823484	1219248	1437672	4219740	1949172	500376	166512	14702352

AVERAGES --- Attained Age 53.14  
Years Retired 6.65  
Annual Benefit 12,965

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS RETIRED

STATE EMPLOYEES' SYSTEM  
SURVIVOR BENEFITS

CELLS DEPICT - MEMBER COUNT  
TOTAL BENEFITS

VALUATION DATE 6/30/2007

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20- )	Total
[ 0 - 39):	21	29	26	23	28	132	125	79	60	523
:	619944	721392	764028	654228	662400	3062736	2154180	1186008	790248	10615164
[40 - 44):	4	3	0	2	3	5	8	2	5	32
:	75228	48456	0	17028	29880	56052	79212	34860	77916	418632
[45 - 49):	3	3	6	3	3	20	12	4	16	70
:	59544	39960	65820	45840	67800	213900	145644	33912	185676	858096
[50 - 54):	10	12	13	4	7	34	15	12	20	127
:	206088	272640	314976	58716	145332	474924	220884	123012	169344	1985916
[55 - 59):	16	25	15	22	17	51	37	22	42	247
:	509472	511368	239880	429756	295560	1005936	445200	220644	419664	4077480
[60 - 64):	14	23	17	20	12	80	77	52	97	392
:	619980	526440	271032	451980	197460	1423716	1122996	581604	1014072	6209280
[65 - 69):	21	13	18	15	14	87	77	91	232	568
:	432072	232296	371796	196368	261480	1592160	1226580	1171248	2538468	8022468
[70 - 74):	15	10	14	10	15	52	119	127	404	766
:	273360	150060	236580	186708	158040	659232	1522116	1553616	4378548	9118260
[75 - 79):	4	6	11	8	5	32	62	135	639	902
:	62796	96036	194568	161424	82560	510480	848172	1386360	6590844	9933240
[80 - 84):	2	2	2	3	2	10	33	92	776	922
:	28992	24804	29076	98016	17616	87900	409824	1091940	7820460	9608628
[85 - 89):	0	0	0	0	1	2	7	22	546	578
:	0	0	0	0	8472	23736	97584	298764	4988520	5417076
[90 - 99):	0	0	0	0	1	0	1	3	286	291
:	0	0	0	0	19968	0	14496	20712	2331792	2386968
Total	110	126	122	110	108	505	573	641	3123	5418
Total	2887476	2623452	2487756	2300064	1946568	9110772	8286888	7702680	31305552	68651208

AVERAGES --- Attained Age 70.11  
Years Retired 19.91  
Annual Benefit 12,671



MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
TERM-VESTED/RECIPROCAL

CELLS DEPICT - MEMBER COUNT  
TOTAL BENEFITS

VALUATION DATE 6/30/2007

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 - 19):	0	0	0	0	0	0	0	0	0	0
[20 - 24):	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	1	1	0	0	0	0	0	2
[25 - 29):	0	0	4268	7251	0	0	0	0	0	11519
[30 - 34):	0	1	0	30	1	0	0	0	0	32
[30 - 34):	0	2543	0	248286	9053	0	0	0	0	259882
[35 - 39):	0	0	0	131	43	0	0	0	0	174
[35 - 39):	0	0	0	1120531	462687	0	0	0	0	1583218
[40 - 44):	0	1	1	142	130	37	3	0	0	314
[40 - 44):	0	4144	5562	1283795	1487786	473864	49394	0	0	3304545
[45 - 49):	0	0	1	144	157	88	64	1	0	455
[45 - 49):	0	0	6813	1309100	1709942	1199787	899468	8403	0	5133513
[50 - 54):	0	0	1	130	134	65	84	20	3	437
[50 - 54):	0	0	4142	1202451	1499132	950593	1386968	304746	19732	5367764
[55 - 59):	0	0	0	125	129	70	56	54	12	446
[55 - 59):	0	0	0	1189628	1703155	1101033	729672	644567	141110	5509165
[60 - 64):	0	1	0	11	18	12	13	9	12	76
[60 - 64):	0	892	0	110014	176191	160488	165998	93018	225915	932516
[65 - 69):	0	0	0	3	0	0	2	3	7	15
[65 - 69):	0	0	0	38791	0	0	22802	25336	68518	155447
[70 - 74):	0	0	0	1	3	0	2	2	21	29
[70 - 74):	0	0	0	8132	24775	0	16373	20049	419295	488624
Total	0	3	4	718	615	272	224	89	55	1980
Total	0	7579	20785	6517979	7072721	3885765	3270675	1096119	874570	22746193

AVERAGES --- Attained Age 50.21  
Service Years 18.63  
Annual Benefit 11,488

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS RETIRED

STATE EMPLOYEES' SYSTEM  
DROP PARTICIPANTS

CELLS DEPICT - MEMBER COUNT  
TOTAL BENEFITS

VALUATION DATE 6/30/2007

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20- )	Total
[ 0 - 39):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:										
[40 - 44):	1	5	9	0	0	0	0	0	0	15
:	24264	135948	194340	0	0	0	0	0	0	354552
:										
[45 - 49):	86	30	6	0	0	0	0	0	0	122
:	2751216	909912	208956	0	0	0	0	0	0	3870084
:										
[50 - 54):	256	216	200	0	0	0	0	0	0	672
:	8759796	7134468	6263820	0	0	0	0	0	0	22158084
:										
[55 - 59):	369	373	336	0	0	0	0	0	0	1078
:	10926708	11886072	10140852	0	0	0	0	0	0	32953632
:										
[60 - 64):	289	216	186	0	0	0	0	0	0	691
:	5149548	3970104	3329076	0	0	0	0	0	0	12448728
:										
[65 - 69):	12	9	12	0	0	0	0	0	0	33
:	244236	123108	110412	0	0	0	0	0	0	477756
:										
[70 - 74):	2	6	5	0	0	0	0	0	0	13
:	10596	244788	92328	0	0	0	0	0	0	347712
:										
[75 - 79):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:										
[80 - 84):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:										
[85 - 89):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:										
[90 - 99):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:										
Total	1015	855	754	0	0	0	0	0	0	2624
Total	27866364	24404400	20339784	0	0	0	0	0	0	72610548

AVERAGES --- Attained Age 56.79  
Years Retired 1.39  
Annual Benefit 27,672

**EXHIBIT 5**

**PRINCIPLE PROVISIONS OF THE PLAN**

**EFFECTIVE DATE:**

July 1, 1947; last amendment date - July 1, 2004.

**EMPLOYEE:**

Any person legally occupying a position in the state service.

**EMPLOYER:**

The State of Louisiana or any of its boards, commissions, departments, agencies and courts which are contributing members and those approved for membership by the legislature from which any employee receives his compensation.

**ELIGIBILITY FOR PARTICIPATION:**

Condition of employment in state service except the following: elected or appointed officials or employees who are contributing members of any other state system; public officials and state employees who receive a per diem in lieu of compensation; persons employed prior to 1/1/73 who work on a part-time basis and elect not to participate; patient or inmate help in state charitable, penal or correctional institutions; part-time students, interns and resident physicians; independent contractors; employees who are age 60 or older at time of employment; retirees of the retirement system who return to work under certain conditions; judges who failed to elect membership prior to 10/2/76; civilian employees who on 11/1/81 were within five years of retirement eligibility in the Federal Civil Service Retirement and Disability Fund; teachers employed after 9/10/82; nurses employed from employment pools at state charity hospitals; temporary, seasonal, part-time employees of DOTC, or as defined in federal law.

**SERVICE:**

Service as an "Employee", defined above.

**CREDITABLE SERVICE:**

For service prior to January 1, 1973: 1/4 year granted for each 89 day interval of service, not to exceed one credit per fiscal year. Minimum 15 days required for 1st Quarter credit.

For service on or after January 1, 1973, a member shall receive credit based on the ratio of actual pay to the annual base per calendar year. Fractional service shall be rounded to the next highest 1/10th, not to exceed 100 percent per year.

**EXHIBIT 5 (Continued)**  
**Principle Provisions**

**ADDITIONAL CREDITABLE SERVICE:**

1. Credit for service canceled by withdrawal of accumulated contributions may be restored by member by paying into system the amount withdrawn plus interest at the Actuarial Valuation rate.
2. Maximum of 4 years of credit for military service may be obtained for each member with at least 2 years service, contingent on payment of Actuarial Cost.
3. Credit for service which, was classified as a job appointment or emergency appointment which exceeds 2 years service.
4. At retirement, all accumulated unused sick and annual leave shall be credited based on the following schedule:

1 - 26 Days	10% of a Year
27 - 52 Days	20% of a Year
53 - 78 Days	30% of a Year
79 - 104 Days	40% of a Year
105 - 130 Days	50% of a Year
131 - 156 Days	60% of a Year
157 - 182 Days	70% of a Year
183 - 208 Days	80% of a Year
209 - 234 Days	90% of a Year
235 - 260 Days	100% of a Year

Actuarial Equivalent Lump-sum is available after August 15, 1993.

**EARNABLE COMPENSATION:**

The base pay earned by an employee for a given pay period as reported by the employing agency including the full amount earned, expense allowances, over-time paid to employees of the legislative branch, per diem paid to members of the legislature, the clerk or sergeant-at-arms of the house and the president and secretary of the senate.

**AVERAGE FINAL COMPENSATION FOR BENEFIT PURPOSES:**

The average annual earned compensation for the thirty-six highest months of successive employment, or the highest thirty-six successive joined months where interruption of service occurred; part-time employees use the base pay the part-time employee would have received had employment been full-time. Per Act 75 of 2005, average final compensation for regular members hired on or after 7/1/06 is determined as the sixty highest months of successive employment. Compensation is limited by the 401a(17) compensation limit of the Internal Revenue Code for certain members.

**ACCUMULATED CONTRIBUTIONS:**

The sum of all amounts deducted from the earned compensation of a member and credited to the individual account in the employee's savings account, together with regular interest credited prior to July 1971.

**EXHIBIT 5 (Continued)**  
**Principle Provisions**

**EMPLOYEE CONTRIBUTIONS:**

	<b>Historical Contribution</b>	<b>Current Contribution</b>
Regular Employees, hired before 7/1/06	7.0% of Compensation	7.5% eff. 7/1/89
Regular Employees, hired after 6/30/06	N/A	8.0%
Agents of DOC	8.5% of Compensation	9.0%, 7.5% after DROP
Wildlife Agents	8.0% of Compensation	8.5%, 9.5% eff. 7/1/03
Legislators, Judges	11.0% of Compensation	11.5% eff. 7/1/89
Peace Officers/Alcohol Tobacco Control	Same as Regular Employees	9.0% eff. 7/1/06

**EMPLOYER CONTRIBUTIONS:**

Act 81 of 1988 requires the employer rate to be actuarially determined and set annually.

Historically, 9% of Compensation by statute; Revised to 9.2% effective 8/1/80. Revised to 10.2% effective 7/1/84. Revised to 11.2% effective 9/11/85.

**RETIREMENT BENEFIT:**

**NORMAL RETIREMENT:**

**Eligibility:**

1. Regular members hired prior to 7/1/2006 eligible upon attaining age 60 and 10 years of service, or age 55 and 25 years, or at any age and 30 years. Members hired on or after 7/1/2006 eligible with 10 years at age 60. Peace Officers' and Alcohol Tobacco Control employees' eligibility interpreted to be same as pre-Act 75 regular employees.
2. Certain members of the Department of Public Safety and Corrections, 20 years at any age (age 50 if employed after August 15, 1986, or 25 years at any age). For new hires after 12/31/2001, 25 years of service at any age.
3. Service as a judge or court officer, 18 years regardless of age, or age 50 and 20 years, or age 55 and 12 years, or age 60 regardless of service.
4. Members of the legislature, governor, lieutenant governor and state treasurer, 16 years of such service without regard to age, or age 50 with 20 years, or age 55 with 12 years.
5. Wildlife and Fisheries members hired before 7/1/2003, age 55 and 10 years, or 20 years at any age. Members hired on or after 7/1/2003, age 60 at 10 years, and 25 years at any age.

**Benefit (numbered items below corresponds to numbered item above :**

1. 2.5% of average compensation per year, plus \$300 supplemental benefit. Peace Officers and Alcohol Tobacco Control employees receive 3.33% of average compensation per year.
2. 2.5% of average compensation per year, plus \$300 supplemental benefit.  
For new hires after 12/31/2001, 3 1/3% of average compensation, plus \$300 supplemental benefit.
3. Annual pension equal to 3 1/2 percent of average compensation for each year of creditable service as a judge or court officer, plus benefit described in (1) above for other state service.
4. 3.5% of average compensation per year as a legislator, governor, lieutenant governor, employees of the legislature or state treasurer, plus benefit described in (1) above for other state service.
5. 3.0% of average compensation per year for service earned prior to 7/1/03.  
3 1/3% of average compensation for service earned on or after 7/1/03,  
2.5% of average compensation for actual number of years served, for service less than ten years.

**EXHIBIT 5 (Continued)**  
**Principle Provisions**

NOTE:

- A. Benefit not to exceed 100% of average earnable compensation.
- B. Retirees who return to work will continue to receive unreduced benefits if compensation does not exceed 50% of his annual benefit during the fiscal year. Earnings above this limit will result in a corresponding reduction to benefits. Retirees who return to work may choose to suspend their retirement benefits and resume making contributions in the system. Upon subsequent retirement, benefit will be resumed but shall include any Cost-of-Living benefits or increases (these are not retroactive) granted during suspension. If post-retirement employment is at least 36 months, a supplemental benefit will be calculated. Otherwise, employee contributions will be refunded.
- C. The \$300 annual supplemental benefit is discontinued to persons who become members of the retirement system after 6/30/86 (Act 608 of 1986).
- D. For members employed after January 1, 1990, the annual pension paid from the trust cannot exceed the maximum benefit provided under Section 415(b) of the Internal Revenue Service Code as adjusted for inflation and form of benefit other than life annuity or qualified joint and survivor annuity for retirement ages as follows:

<u>Age</u>	<u>Maximum</u>	<u>Age</u>	<u>Maximum</u>	<u>Age</u>	<u>Maximum</u>
48	\$ 39,506	56	\$ 93,202	64	\$180,000
49	43,191	57	102,643	65	180,000
50	47,254	58	113,184	66	193,134
51	51,738	59	124,976	67	207,463
52	56,693	60	138,201	68	223,114
53	62,176	61	153,068	69	240,228
54	68,254	62	180,000	70	258,969
55	84,727	63	180,000		

**EARLY RETIREMENT:**

Eligibility:

20 years of service credit regardless of attained age. Act 194 of 2004 provides 10 years at age 50 (sunsets December 31, 2008 per Act 672 of 2006).

Benefit:

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

**EXHIBIT 5 (Continued)**  
**Principle Provisions****COST-OF-LIVING BENEFITS:**

Cost of Living Adjustments (COLA's) may be granted, with legislative approval, provided there are sufficient funds in the Experience Account to fully fund the COLA on an actuarial basis. The Experience Account 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. The balance of the Experience Account is limited to the cost of two COLA's. The COLA is limited to the lesser of 3% or the increase in the CPI-U for the calendar year immediately preceding the COLA. Benefits are restricted to those retirees who have attained the age of 55 and have been retired for at least one year. The minimum age 55 for the receipt of a COLA does not apply to disability retirees. The COLA shall be based on the first seventy thousand dollars of the retiree's annual benefit, indexed annually for years after 1999.

**MINIMUM BENEFITS:**

Effective September 1, 2001, retirees and beneficiaries receiving retirement benefits shall be entitled to a minimum benefit which is not less than \$30.00 per month for each year of creditable service. The minimum benefit is adjusted for the option elected at retirement.

**DISABILITY RETIREMENT:****Eligibility:**

10 years of creditable service; certification of disability by medical board (medical examination may be required once in every year for the first 5 years of disability retirement, and once in every 2 years thereafter, until age 60.)

**Benefit:**

- 1) The disability retirement annuity shall be equivalent to the regular retirement formula without reduction by reason of age for all classes of membership. For regular members hired on or after 7/1/06, the disability retirement annuity shall be calculated using an accrual rate of 1.8%.
- 2) For judges and court officers, the benefit in (1) but not less than 50% of current salary.
- 3) For certain Wildlife agents; partial disabilities not eligible for (1) above receive 75% of the benefit in (1); total disability in-line-of-duty receive 60% of average compensation.

**SURVIVOR'S BENEFITS:****Eligibility:**

1. Surviving spouse with minor children legally married 2 years prior to date of death of a member with 5 years of service credit, 2 of which were earned immediately prior to death, or 20 years of service.

**EXHIBIT 5 (Continued)**  
**Principle Provisions**

2. Surviving spouse, legally married 1 year prior to death, of a deceased member with 10 years of service credit, 2 of which were earned immediately prior to death, or 20 years of service regardless of date earned.
3. Surviving minor child, with no spouse of a deceased member with 5 years of service credit, 2 of which were earned immediately prior to death, or 20 years of service regardless of date earned.
4. Surviving handicapped or mentally retarded children.
5. Surviving spouse of a judge or court officer.
6. Beneficiary not eligible for (1), (2), (3), (4) or (5).

**Benefit:**

1. Greater of 75% of member's average compensation or \$300 per month.  
1/3 of the benefit is designated for survivor, 2/3 for minor children.
2. Greater of 50% of member's average compensation or \$200 per month.
3. Greater of 75% of member's average compensation or \$300 per month.
4. Continuation of minor child's benefit described above in (1) or (3) whichever is applicable.
5. Survivor's benefit described in (1) or (2), but not less than the greater of 1/3 the member's compensation or 50% of the retirement pay which such member was entitled or receiving prior to death.
6. Return of member's accumulated contributions.

**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 - One-half 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.

- A. 90% of the maximum retirement allowance to member; if member dies, 55% of the maximum retirement allowance continued to beneficiary.



**EXHIBIT 5 (Continued)**  
**Principle Provisions**

- B. Reduced retirement allowance to member; if member dies, 55% of the maximum retirement allowance continues to beneficiary, adjusted based on the age and relationship of the beneficiary to the member.
- C. Special reversionary annuities to Options 2, 3, and 4. Member's reduced benefit reverts to the maximum if the beneficiary predeceases the annuitant.

If divorced after retirement, optional benefit can revert to maximum benefit with actuarial adjustment.

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

**REFUND OF CONTRIBUTIONS:**

If a member ceases to be a member, except by death or retirement, he shall be paid such part of the amount of the accumulated contributions credited to his individual account in annuity savings fund as he shall demand, plus any accumulated interest thereon as of 6/30/71; if member of legislature, no interest. No interest credited after 6/30/71. Death prior to retirement - accumulated contributions credited to individual account in annuity savings fund are returnable to designated beneficiary, if any; otherwise, to his estate.

**WITHDRAWAL AFTER 10 YEARS  
OF CREDITABLE SERVICE:**

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

**DEFERRED RETIREMENT OPTION PLAN:**

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

**NORMAL ELIGIBILITY:**

Any member who is eligible for unreduced 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);

**EXHIBIT 5 (Continued)**  
**Principle Provisions**

- (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 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 for members who become eligible for retirement prior to 1/1/04 and participate in DROP shall earn interest, following termination of DROP, at a rate of 0.5% below the actuarial rate of the System's investment portfolio.

Members eligible for retirement on or after 1/1/2004 must invest their DROP accounts in self directed accounts approved by the Board of Trustees.

**EXHIBIT 6****ACTUARIAL COST METHODS AND ASSUMPTIONS****COST METHOD:**

The individual "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 dates. That portion of the actuarial present value attributable to current year benefit accruals is called the Normal Cost. The actuarial present value of future benefits in proportion to service accrued on the date of valuation is called the actuarial accrued liability.

**ASSET VALUATION:**

Prior to June 30, 1999 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, 1999 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 certain Actuarial Liabilities for Public Employees 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 Regular Members, Corrections, Wildlife and Fisheries, and Judges. The current and prior rate tables are illustrated at the end of this exhibit.

**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 age set at attained age plus one.

**EXHIBIT 6 (Continued)**  
**Cost Methods & Assumptions**

**DISABILITY ASSUMPTION:**

Rates of total and permanent disability were projected by age in accordance with the most recent Experience Study. The rates are based upon attained age. For mortality after disability, rates were based on the Eleventh Actuarial Valuation of the Railroad Retirement Systems 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 service duration in the current valuation as follows:

	<b>Regular Members</b>	<b>Correction Members</b>	<b>Wildlife &amp; Judges</b>
1st year	1.3x	1.5x	1.0x
2nd year	1.0x	1.0x	1.0x
3rd year	1.0x	1.0x	1.0x
4th year	1.0x	1.0x	1.0x
5th year	1.0x	1.0x	1.0x

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

**SALARY GROWTH:**

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

**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:

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

**ASSUMPTION FOR INCOMPLETE DATA:**

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

**INVESTMENT EARNINGS:**

An effective annual rate of 8 1/4%, net expenses.

**ADMINISTRATIVE EXPENSES:**

Expenses are included in Aggregate Normal Cost and are assumed to be \$14,900,000 per year. Investment Manager fees are not included in Normal Cost but are treated as a direct offset to investment income. The Employer portion of the Normal Cost excludes an allocation for administrative expenses.

**COST-OF-LIVING:**

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

ACTUARIAL TABLES AND RATES (STATE EMPLOYEES)  
 RATES EFFECTIVE 6/30/2003

Age	- Death Rates -		Disability	Termination	Retirement	DROP	Dur	Salary
	Male	Female	Rates	Rates	Rates	Rates		Scale
18	.00039	.00020	.0000	.0500	.0000	.000	1	1.1400
19	.00041	.00021	.0000	.1100	.0000	.000	2	1.0900
20	.00042	.00022	.0000	.2100	.0000	.000	3	1.0750
21	.00044	.00024	.0000	.1900	.0000	.000	4	1.0700
22	.00045	.00025	.0000	.1800	.0000	.000	5	1.0650
23	.00047	.00027	.0000	.1600	.0000	.000	6	1.0600
24	.00049	.00028	.0000	.1600	.0000	.000	7	1.0600
25	.00052	.00030	.0000	.1600	.0000	.000	8	1.0600
26	.00054	.00032	.0000	.1600	.0000	.000	9	1.0600
27	.00057	.00034	.0000	.1500	.0000	.000	10	1.0550
28	.00060	.00036	.0001	.1400	.0000	.000	11	1.0500
29	.00064	.00038	.0001	.1300	.0000	.000	12	1.0500
30	.00067	.00040	.0001	.1200	.0000	.000	13	1.0500
31	.00072	.00043	.0001	.1100	.0000	.000	14	1.0500
32	.00076	.00046	.0001	.1000	.0000	.000	15	1.0500
33	.00082	.00049	.0001	.1000	.0000	.000	16	1.0450
34	.00087	.00053	.0002	.0900	.0000	.000	17	1.0450
35	.00096	.00056	.0003	.0900	.0000	.000	18	1.0450
36	.00101	.00060	.0004	.0600	.0000	.000	19	1.0450
37	.00107	.00064	.0005	.0600	.0000	.000	20	1.0450
38	.00115	.00069	.0008	.0500	.0000	.000	21	1.0450
39	.00125	.00074	.0015	.0500	.0000	.000	22	1.0425
40	.00138	.00080	.0015	.0500	.0000	.000	23	1.0425
41	.00152	.00086	.0015	.0400	.0000	.000	24	1.0425
42	.00170	.00094	.0015	.0400	.0000	.000	25	1.0425
43	.00191	.00102	.0017	.0400	.0000	.000	26	1.0425
44	.00215	.00112	.0026	.0300	.0000	.000	27	1.0425
45	.00243	.00124	.0027	.0300	.0000	.000	28	1.0425
46	.00275	.00137	.0030	.0300	.0000	.000	29	1.0425
47	.00310	.00152	.0033	.0300	.0000	.000	30	1.0425
48	.00349	.00167	.0033	.0300	.4000	.300	31	1.0500
49	.00390	.00183	.0050	.0300	.3000	.420	32	1.0500
50	.00434	.00199	.0037	.0300	.3500	.330	33	1.0600
51	.00480	.00217	.0037	.0300	.3700	.330	34	1.0600
52	.00528	.00236	.0037	.0300	.4000	.330	35	1.0600
53	.00578	.00257	.0055	.0200	.4500	.330	36	1.0600
54	.00629	.00282	.0050	.0200	.3500	.330	37	1.0500
55	.00681	.00311	.0044	.0200	.3500	.330	38	1.0500
56	.00735	.00345	.0030	.0200	.3500	.250	39	1.0500
57	.00793	.00383	.0024	.0200	.4500	.200	40	1.0500
58	.00858	.00425	.0021	.0200	.6000	.200	41	1.0500
59	.00932	.00471	.0008	.0200	.4700	.250	42	1.0500
60	.01018	.00523	.0000	.0200	.2600	.250	43	1.0500
61	.01118	.00579	.0000	.0200	.2600	.150	44	1.0500
62	.01237	.00641	.0000	.0200	.3300	.150	45	1.0500
63	.01377	.00710	.0000	.0200	.4000	.150	46	1.0500
64	.01541	.00785	.0000	.0200	.3600	.150	47	1.0500
65	.01732	.00869	.0000	.0200	.3600	.150	48	1.0500
66	.01953	.00965	.0000	.0200	.3300	.150	49	1.0500
67	.02200	.01078	.0000	.0200	.3000	.250	50	1.0500
68	.02470	.01214	.0000	.0200	.3000	.300	51	1.0500
69	.02757	.01376	.0000	.0100	.3000	.100	52	1.0500
70	.03059	.01570	.0000	.0100	.2500	.100	53	1.0500
71	.03373	.01796	.0000	.0000	.2500	.100	54	1.0500
72	.03708	.02053	.0000	.0000	.4300	.000	55	1.0500
73	.04076	.02344	.0000	.0000	.5200	.000	56	1.0500
74	.04488	.02666	.0000	.0000	.9900	.000	57	1.0500

ACTUARIAL TABLES AND RATES (JUDGES)  
 RATES EFFECTIVE 6/30/2003

Age	- Death Rates -		Disability	Termination	Retirement	DROP	Dur	Salary
	Male	Female	Rates	Rates	Rates	Rates		Scale
18	.00039	.00020	.0000	.0000	.0000	.000	1	1.0470
19	.00041	.00021	.0000	.0000	.0000	.000	2	1.0250
20	.00042	.00022	.0000	.0000	.0000	.000	3	1.0250
21	.00044	.00024	.0000	.0000	.0000	.000	4	1.0250
22	.00045	.00025	.0000	.0000	.0000	.000	5	1.0250
23	.00047	.00027	.0000	.0000	.0000	.000	6	1.0250
24	.00049	.00028	.0000	.0000	.0000	.000	7	1.0250
25	.00052	.00030	.0000	.0000	.0000	.000	8	1.0250
26	.00054	.00032	.0000	.0000	.0000	.000	9	1.0250
27	.00057	.00034	.0000	.0000	.0000	.000	10	1.0250
28	.00060	.00036	.0000	.0000	.0000	.000	11	1.0250
29	.00064	.00038	.0000	.0000	.0000	.000	12	1.0250
30	.00067	.00040	.0002	.0050	.0000	.000	13	1.0250
31	.00072	.00043	.0002	.0050	.0000	.000	14	1.0250
32	.00076	.00046	.0002	.0050	.0000	.000	15	1.0250
33	.00082	.00049	.0002	.0050	.0000	.000	16	1.0250
34	.00087	.00053	.0002	.0050	.0000	.000	17	1.0250
35	.00096	.00056	.0002	.0050	.0000	.000	18	1.0250
36	.00101	.00060	.0002	.0050	.0000	.000	19	1.0250
37	.00107	.00064	.0002	.0050	.0000	.000	20	1.0250
38	.00115	.00069	.0002	.0050	.0000	.000	21	1.0250
39	.00125	.00074	.0002	.0050	.0000	.000	22	1.0250
40	.00138	.00080	.0002	.0050	.0000	.000	23	1.0250
41	.00152	.00086	.0002	.0050	.0000	.000	24	1.0250
42	.00170	.00094	.0002	.0050	.0000	.000	25	1.0250
43	.00191	.00102	.0002	.0050	.0000	.000	26	1.0250
44	.00215	.00112	.0002	.0050	.0000	.000	27	1.0250
45	.00243	.00124	.0002	.0050	.0000	.000	28	1.0250
46	.00275	.00137	.0002	.0050	.0000	.000	29	1.0250
47	.00310	.00152	.0002	.0050	.0000	.000	30	1.0250
48	.00349	.00167	.0002	.0050	.0000	.000	31	1.0250
49	.00390	.00183	.0002	.0050	.5000	.000	32	1.0250
50	.00434	.00199	.0002	.0050	.5000	.000	33	1.0250
51	.00480	.00217	.0002	.0000	.5000	.000	34	1.0250
52	.00528	.00236	.0002	.0000	.5000	.900	35	1.0250
53	.00578	.00257	.0002	.0000	.3500	.900	36	1.0250
54	.00629	.00282	.0002	.0000	.3500	.900	37	1.0250
55	.00681	.00311	.0002	.0000	.3500	.900	38	1.0250
56	.00735	.00345	.0002	.0000	.3500	.500	39	1.0250
57	.00793	.00383	.0002	.0000	.1000	.500	40	1.0250
58	.00858	.00425	.0002	.0000	.1000	.500	41	1.0250
59	.00932	.00471	.0002	.0000	.1000	.150	42	1.0250
60	.01018	.00523	.0002	.0000	.1000	.150	43	1.0250
61	.01118	.00579	.0002	.0000	.1000	.150	44	1.0250
62	.01237	.00641	.0002	.0000	.1000	.150	45	1.0250
63	.01377	.00710	.0002	.0000	.1000	.900	46	1.0250
64	.01541	.00785	.0002	.0000	.1000	.750	47	1.0250
65	.01732	.00869	.0002	.0000	.1000	.330	48	1.0250
66	.01953	.00965	.0002	.0000	.1000	.150	49	1.0250
67	.02200	.01078	.0002	.0000	.1000	.150	50	1.0250
68	.02470	.01214	.0002	.0000	.1000	.150	51	1.0250
69	.02757	.01376	.0002	.0000	.6200	.000	52	1.0250
70	.03059	.01570	.0000	.0000	.9900	.000	53	1.0250
71	.03373	.01796	.0000	.0000	.9900	.000	54	1.0250
72	.03708	.02053	.0000	.0000	.9900	.000	55	1.0250
73	.04076	.02344	.0000	.0000	.9900	.000	56	1.0250
74	.04488	.02666	.0000	.0000	.9900	.000	57	1.0250

ACTUARIAL TABLES AND RATES (CORRECTIONS)  
 RATES EFFECTIVE 6/30/2003

Age	- Death Rates -		Disability	Termination	Retirement	DROP	Dur	Salary
	Male	Female	Rates	Rates	Rates	Rates		Scale
18	.00039	.00020	.0000	.0500	.0000	.000	1	1.1800
19	.00041	.00021	.0000	.2400	.0000	.000	2	1.0900
20	.00042	.00022	.0000	.2400	.0000	.000	3	1.0800
21	.00044	.00024	.0000	.3100	.0000	.000	4	1.0800
22	.00045	.00025	.0000	.2500	.0000	.000	5	1.0800
23	.00047	.00027	.0000	.2400	.0000	.000	6	1.0750
24	.00049	.00028	.0000	.2300	.0000	.000	7	1.0750
25	.00052	.00030	.0000	.2200	.0000	.000	8	1.0750
26	.00054	.00032	.0000	.2100	.0000	.000	9	1.0750
27	.00057	.00034	.0000	.1800	.0000	.000	10	1.0750
28	.00060	.00036	.0000	.1700	.0000	.000	11	1.0750
29	.00064	.00038	.0000	.1600	.0000	.000	12	1.0750
30	.00067	.00040	.0002	.1500	.0000	.000	13	1.0700
31	.00072	.00043	.0002	.1300	.0000	.000	14	1.0600
32	.00076	.00046	.0003	.1200	.0000	.000	15	1.0600
33	.00082	.00049	.0003	.1000	.0000	.000	16	1.0600
34	.00087	.00053	.0004	.1000	.0000	.000	17	1.0600
35	.00096	.00056	.0005	.1000	.0000	.000	18	1.0600
36	.00101	.00060	.0006	.1000	.0000	.000	19	1.0600
37	.00107	.00064	.0008	.0900	.0000	.000	20	1.0600
38	.00115	.00069	.0010	.0800	.0000	.000	21	1.0600
39	.00125	.00074	.0012	.0600	.0000	.000	22	1.0600
40	.00138	.00080	.0013	.0600	.0000	.000	23	1.0600
41	.00152	.00086	.0014	.0600	.0000	.000	24	1.0600
42	.00170	.00094	.0015	.0500	.0000	.000	25	1.0600
43	.00191	.00102	.0017	.0500	.0000	.000	26	1.0600
44	.00215	.00112	.0017	.0500	.0000	.000	27	1.0600
45	.00243	.00124	.0017	.0400	.0000	.000	28	1.0500
46	.00275	.00137	.0017	.0400	.0000	.000	29	1.0400
47	.00310	.00152	.0017	.0300	.0000	.000	30	1.0400
48	.00349	.00167	.0017	.0300	.8000	.900	31	1.0400
49	.00390	.00183	.0045	.0300	.7000	.900	32	1.0400
50	.00434	.00199	.0054	.0300	.7000	.900	33	1.0400
51	.00480	.00217	.0060	.0300	.7000	.500	34	1.0400
52	.00528	.00236	.0060	.0300	.7000	.500	35	1.0400
53	.00578	.00257	.0060	.0500	.7000	.450	36	1.0400
54	.00629	.00282	.0130	.0500	.9000	.100	37	1.0400
55	.00681	.00311	.0070	.0500	.7500	.550	38	1.0400
56	.00735	.00345	.0040	.0500	.7500	.400	39	1.0400
57	.00793	.00383	.0040	.0500	.7500	.150	40	1.0400
58	.00858	.00425	.0040	.0500	.7500	.150	41	1.0400
59	.00932	.00471	.0040	.0500	.4500	.150	42	1.0400
60	.01018	.00523	.0040	.0500	.2500	.250	43	1.0400
61	.01118	.00579	.0000	.0500	.2500	.250	44	1.0400
62	.01237	.00641	.0000	.0500	.2500	.050	45	1.0400
63	.01377	.00710	.0000	.0500	.3500	.050	46	1.0400
64	.01541	.00785	.0000	.0500	.3500	.050	47	1.0400
65	.01732	.00869	.0000	.1000	.3500	.050	48	1.0400
66	.01953	.00965	.0000	.0000	.3500	.050	49	1.0400
67	.02200	.01078	.0000	.0000	.3000	.150	50	1.0400
68	.02470	.01214	.0000	.0000	.5000	.000	51	1.0400
69	.02757	.01376	.0000	.0000	.5000	.000	52	1.0400
70	.03059	.01570	.0000	.0000	.9900	.000	53	1.0400
71	.03373	.01796	.0000	.0000	.9900	.000	54	1.0400
72	.03708	.02053	.0000	.0000	.9900	.000	55	1.0400
73	.04076	.02344	.0000	.0000	.9900	.000	56	1.0400
74	.04488	.02666	.0000	.0000	.9900	.000	57	1.0400



ACTUARIAL TABLES AND RATES (WILDLIFE)  
EFFECTIVE RATES 6/30/2003

Age	- Death Rates -		Disability	Termination	Retirement	DROP	Dur	Salary
	Male	Female	Rates	Rates	Rates	Rates		Scale
18	.00039	.00020	.0000	.1000	.0000	.000	1	1.1800
19	.00041	.00021	.0000	.1000	.0000	.000	2	1.1700
20	.00042	.00022	.0000	.1000	.0000	.000	3	1.1000
21	.00044	.00024	.0000	.1000	.0000	.000	4	1.0900
22	.00045	.00025	.0000	.1000	.0000	.000	5	1.0800
23	.00047	.00027	.0000	.1000	.0000	.000	6	1.0800
24	.00049	.00028	.0000	.0700	.0000	.000	7	1.0800
25	.00052	.00030	.0000	.0700	.0000	.000	8	1.0800
26	.00054	.00032	.0000	.0700	.0000	.000	9	1.0800
27	.00057	.00034	.0000	.0700	.0000	.000	10	1.0650
28	.00060	.00036	.0000	.0700	.0000	.000	11	1.0650
29	.00064	.00038	.0000	.0700	.0000	.000	12	1.0650
30	.00067	.00040	.0001	.0700	.0000	.000	13	1.0650
31	.00072	.00043	.0001	.0700	.0000	.000	14	1.0650
32	.00076	.00046	.0001	.0700	.0000	.000	15	1.0650
33	.00082	.00049	.0001	.0700	.0000	.000	16	1.0650
34	.00087	.00053	.0001	.0700	.0000	.000	17	1.0650
35	.00096	.00056	.0100	.0200	.0000	.000	18	1.0650
36	.00101	.00060	.0100	.0200	.0000	.000	19	1.0650
37	.00107	.00064	.0100	.0200	.0000	.000	20	1.0650
38	.00115	.00069	.0100	.0200	.0000	.000	21	1.0650
39	.00125	.00074	.0100	.0200	.0000	.000	22	1.0650
40	.00138	.00080	.0100	.0100	.0000	.000	23	1.0650
41	.00152	.00086	.0100	.0100	.0000	.000	24	1.0650
42	.00170	.00094	.0100	.0100	.0000	.000	25	1.0650
43	.00191	.00102	.0100	.0100	.0000	.000	26	1.0650
44	.00215	.00112	.0100	.0100	.0000	.000	27	1.0650
45	.00243	.00124	.0100	.0100	.0000	.000	28	1.0650
46	.00275	.00137	.0000	.0100	.0000	.000	29	1.0650
47	.00310	.00152	.0000	.0100	.0000	.000	30	1.0650
48	.00349	.00167	.0000	.0100	.5000	.500	31	1.0650
49	.00390	.00183	.0000	.0100	.5000	.500	32	1.0650
50	.00434	.00199	.0000	.0100	.5000	.500	33	1.0650
51	.00480	.00217	.0000	.0100	.5000	.500	34	1.0650
52	.00528	.00236	.0000	.0100	.5000	.500	35	1.0650
53	.00578	.00257	.0000	.0100	.5000	.500	36	1.0650
54	.00629	.00282	.0000	.0100	.5000	.500	37	1.0650
55	.00681	.00311	.0000	.0100	.5000	.500	38	1.0650
56	.00735	.00345	.0000	.0000	.5000	.500	39	1.0650
57	.00793	.00383	.0000	.0000	.5000	.500	40	1.0650
58	.00858	.00425	.0000	.0000	.5000	.500	41	1.0650
59	.00932	.00471	.0000	.0000	.5000	.500	42	1.0650
60	.01018	.00523	.0000	.0000	.5000	.500	43	1.0650
61	.01118	.00579	.0000	.0000	.5000	.500	44	1.0650
62	.01237	.00641	.0000	.0000	.5000	.500	45	1.0650
63	.01377	.00710	.0000	.0000	.5000	.500	46	1.0650
64	.01541	.00785	.0000	.0000	.5000	.500	47	1.0650
65	.01732	.00869	.0000	.0000	.9900	.000	48	1.0650
66	.01953	.00965	.0000	.0000	.9900	.000	49	1.0650
67	.02200	.01078	.0000	.0000	.9900	.000	50	1.0650
68	.02470	.01214	.0000	.0000	.9900	.000	51	1.0650
69	.02757	.01376	.0000	.0000	.9900	.000	52	1.0650
70	.03059	.01570	.0000	.0000	.9900	.000	53	1.0650
71	.03373	.01796	.0000	.0000	.9900	.000	54	1.0650
72	.03708	.02053	.0000	.0000	.9900	.000	55	1.0650
73	.04076	.02344	.0000	.0000	.9900	.000	56	1.0650
74	.04488	.02666	.0000	.0000	.9900	.000	57	1.0650

## Exhibit A

### AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY June 30, 2007

<b>Date</b>	<b>Description</b>	<b>Amtz. Method</b>	<b>Amtz. Period</b>	<b>Initial Liability</b>	<b>Years Remain</b>	<b>Remaining Balance</b>	<b>Mid-Year Payment</b>
1993	Initial Liability	I	36	\$ 2,086,424,058	22	\$ 2,899,982,729	\$ 193,708,467
1993	Change in Liability	L	25	(176,172,713)	22	(168,612,155)	(16,202,391)
1994	Change in Liability	L	25	(62,475,258)	22	(59,794,095)	(5,745,774)
1995	Change in Liability	L	25	(72,078,533)	22	(68,985,239)	(6,628,975)
1996	Change in Liability	L	25	85,912,731	22	82,225,734	7,901,290
1997	Change in Liability	L	25	(281,911,688)	22	(269,813,278)	(25,927,077)
1998	Change in Liability	L	25	(105,825,000)	22	(101,283,456)	(9,732,597)
1999	Change in Liability	I	25	103,608,120	22	108,907,326	7,274,620
2000	Change in Liability	I	26	46,867,925	23	49,508,594	3,212,053
2001	Change in Liability	I	27	109,177,843	24	115,851,722	7,313,609
2002	Change in Liability	I	28	468,578,945	25	499,293,359	30,720,156
2003	Change in Liability	I	29	1,142,857,936	26	1,222,445,735	73,415,491
2004	Change in Liability	L	30	113,159,407	27	110,054,680	9,889,817
2005	Change in Liability	L	30	(60,625,273)	28	(59,560,853)	(5,298,480)
2006	Change in Liability	L	30	(156,583,505)	29	(155,263,364)	(13,684,962)
2007	Act 353 - Chg in Lia	L	10	1,004,350	10	1,004,350	145,487
2007	Act 414 - Chg in Lia	L	30	3,631,308	30	3,631,308	317,366
2007	Change in Liability	L	30	(131,000,739)	30	(131,000,739)	(11,449,099)
<b>Total Outstanding Balance</b>						<b>\$ 4,078,592,358</b>	<b>\$ 239,229,001</b>
<b>Employers Credit Balance</b>							
2003	Contribution Variance	L	5	16,739,921	1	3,898,645	4,056,278
2004	Contribution Variance	L	5	17,093,381	2	7,658,529	4,141,925
2005	Contribution Variance	L	5	3,452,173	3	2,232,829	836,502
2006	Contribution Variance	L	5	29,394,615	4	24,409,026	7,122,657
2007	Contribution Variance	L	5	12,897,054	5	12,897,054	3,125,106
<b>Total Credit Balance</b>						<b>\$ 51,096,083</b>	<b>\$ 19,282,468</b>