



**ACTUARIAL
ASSOCIATES**

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September 16, 2008

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, 2008.

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

		----- Prior Years -----	
	June 30, 2008	June 30, 2007	June 30, 2006
I. Membership Census			
1) Retirees	37,575	36,742	38,047
2) Actives	61,780	60,444	57,811
3) DROP	2,643	2,624	2,577
4) Terminated Vested	1,824	1,980	Incl w/ Retirees
II. Annual Benefits	\$702,667,680 ¹	\$648,710,016	\$585,965,688
III. Total Payroll	2,436,955,566	2,175,366,607	1,979,705,391
IV. Valuation Assets	9,089,098,665	8,292,218,289	7,384,136,522
V. Experience Account	140,698,470	275,351,338	171,905,146
VI. Investment Yield			
Market Value (Total Assets)	-3.83%	18.55%	11.58%
Market Value (Excluding Self Directed)	-3.91%	----	----
Actuarial Value	8.49%	14.21%	12.96%
VII. Cost to Fund Annual Pension	387,377,104	341,832,713	315,685,438
Accruals (Normal Costs)	15.90%	15.71%	15.95%
VIII. Unfunded Actuarial			
Accrued Liability	4,473,114,859	4,129,688,441	4,164,543,814
IX. Funded Percentage	67.0%	66.8%	63.9%
X. Funding Requirements to Pay (Mid-year payment)			
1) Employee Contribution	196,384,754	173,020,223	156,714,947
Rate	7.807%	7.706%	7.689%
2) Employer Contribution	464,889,926	422,466,234	407,161,864
Plus Peace Officer appropriation ²	317,366	317,366	148,723
Plus Alc/Tob Control appropriation ²	227,355	145,487	-
Rate (Current Year)	18.5%	18.8%	20.0%
3) Projected Employer Contribution	480,279,775	428,329,726	427,667,104
Plus Peace Officer appropriation ²	317,366	317,366	148,723
Plus Alc/Tob Control appropriation ²	227,355	145,487	-
Rate (Next Year)	18.6%	18.5%	20.4%

¹ Includes July 1, 2008 Cost of Living Adjustment

² Peace Officers appropriation is per Act 414 of 2007. Alc/Tob appropriation is per Act 353 of 2007 and Act 740 of 2008.

The above funding requirements measure the cost of benefits that were in effect on June 30, 2008, plus Acts of the 2008 Legislative Session not effective until after June 30, 2008 that will affect current active members.

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Current Funding

The Actuarial Valuation for the plan year ending June 30, 2008 discloses an increase 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 June 30, 2007		\$ 4,129,688,441
INCREASES		
Interest on Unfunded Liability	\$340,699,296	
Experience Account Allocation	9,061,232	
Act 262 - Disability benefit Increase	1,999,338	
Act 740 - ATC Legislation	565,160	
Retiree Cola	153,535,263	
Experience Loss	361,953,513	
<u>Total Increases</u>	<u>867,813,802</u>	
DECREASES		
Investment Gain	\$18,122,464	
Employer Shortfall Credit	70,222,054	
Employer Amortization Payment	268,963,760	
Experience Account Distribution	167,079,106	
<u>Total Decreases</u>	<u>524,387,384</u>	
Unfunded Liability June 30, 2008		\$ 4,473,114,859

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The employer contribution rate established by the Public Retirement Systems' Actuarial Committee for the 2008-2009 plan year is 18.5%. The actual employer contribution rate determined by this valuation for the current plan year is 18.5%. The current adjusted rate is equal to the required employer's contribution rate, which should produce a minimal employer contribution credit or deficit next year.

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 262 of 2008 increased the disability accrual rate for members hired on or after July 1, 2006 from 1.8% to 2.5%. This increase is effective June 2008 and the cost is amortized over a 10 year period.

Act 740 of 2008 modified the eligibility requirements for enforcement personnel of the Alcohol and Tobacco Control office within the Department of Revenue. The retirement eligibility provisions for these members were previously 30 years of service at any age, or 25 or more years of service at age 55, or 10 years of service at age 60. This Act changes the eligibility requirement to 25 years of service at any age, or 10 years of service at age 60. The resulting increase in liability is funded by the Department of Revenue Alcohol and Tobacco Control Officers Fund.

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 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. Act 7 of the Second Extraordinary Session of 2008 provided an additional appropriation of \$20,000,000. The Act specifies that this appropriation is to be used to re-amortize the remaining outstanding balance of the IUAL when the re-amortization will produce a fixed payment that is less than the remaining increasing payments. The current account balance and allocation is as follows:

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Texaco Settlement Fund	\$	40,947,129
2006 Legislative Appropriation	\$	16,850,764
2008 Legislative Appropriation	\$	20,273,340
<u>Total IUAL Amortization Fund</u>	<u>\$</u>	<u>78,071,233</u>

- **Experience Account Fund:** This fund accumulates 50% of the excess investment gain 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, 2008. Act 588 of 2004 restricts the account accumulation to no more than the reserve for two COLAs. The current account balance is \$140,698,470, 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 July 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>3 Yr. Aver.</u>	<u>5 Yr. Aver.</u>	<u>10 Yr. Aver</u>
12.96%	14.21%	8.49%	11.86%	10.65%	7.03%

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, 2008 was greater than the long-term investment assumption used to project benefits. The result was a net investment experience gain of \$18,122,464 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 2007-2008 plan year, the system incurred a \$ 361,953,513 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:

June 30	Payroll/\$1,000	Percent Increase
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%
2008	2,436,956	12.0%

During the last 10 years the aggregate salaries have increased at an annualized rate of 3.95%. 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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	Normal Cost	% Pay	% Total	Accrued Liability	% Total
Regular Members - old plan	284,300,000	15.6%	77.2%	4,541,500,000	87.9%
Regular Members - new plan	33,100,000	9.7%	9.0%	38,000,000	0.7%
Judges	10,250,000	25.2%	2.8%	133,000,000	2.6%
Legislators	300,000	26.9%	0.1%	4,000,000	0.1%
Corrections - Primary	11,400,000	20.2%	3.1%	158,700,000	3.1%
Corrections - Secondary	24,700,000	16.1%	6.7%	236,000,000	4.6%
Wildlife - old plan	2,500,000	29.0%	0.7%	35,000,000	0.7%
Wildlife - new plan	615,000	21.9%	0.2%	1,500,000	0.0%
Peace Officers	830,000	17.2%	0.2%	12,500,000	0.2%
Alcohol Tobacco Control	280,000	16.3%	0.1%	3,600,000	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, 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, 2008</u>		<u>---- Prior Year ---- June 30, 2007</u>	
	Dollar Amount	% of Salary	Dollar Amount	% of Salary
I. Normal Costs				
(to fund annual pension accruals)				
Active Members with Complete Data				
a) Retirement Benefits	303,094,123	12.44%	268,949,812	12.36%
b) Disability Benefits	6,698,478	0.27%	6,005,365	0.28%
c) Survivor Benefits	12,238,628	0.50%	11,039,359	0.51%
d) Voluntary Termination	46,245,875	1.90%	40,938,177	1.88%
e) Expenses	19,100,000	0.78%	14,900,000	0.68%
TOTAL	<u>387,377,104</u>	<u>15.90%</u>	<u>341,832,713</u>	<u>15.71%</u>
II. Actuarial Accrued Liability				
a) Active Members				
1) Retirement Benefits	4,611,540,306		4,118,501,867	
2) Disability Benefits	81,998,589		76,227,366	
3) Survivor Benefits	121,648,017		111,482,985	
4) Voluntary Termination	348,676,296		322,439,750	
	<u>5,163,863,208</u>		<u>4,628,651,968</u>	
b) Retired and Inctive Members				
1) Regular Retirees	5,231,735,360		4,962,030,986	
2) Disability Benefits	305,335,880		157,385,454	
3) Survivors	640,587,161		572,551,025	
4) Vested Deferred	123,051,124		115,532,422	
5) Contributions Refunded	62,072,548		60,275,972	
6) DROP Deferred Benefits	1,341,002,864		1,286,203,974	
7) DROP Account Balances	694,565,379		639,274,929	
	<u>8,398,350,316</u>		<u>7,793,254,762</u>	
c) Total	13,562,213,524		12,421,906,730	

Exhibit 1 (Continued)
Costs, Liabilities & Contributions

	<u>June 30, 2008</u>	<u>---- Prior Year ----</u> <u>June 30, 2007</u>
II. Actuarial Accrued Liability	13,562,213,524	12,421,906,730
III. Valuation Assets	9,089,098,665	8,292,218,289
IV. Unfunded Actuarial Accrued Liabilities - Projected Unit Credit ¹	4,473,114,859	4,129,688,441
a) Change over prior year	343,426,418	-34,855,373
b) Funded Percentage	67.0%	66.8%
V. Employer Contributions To Fund Current Plan Year ¹		
a) Employer Portion of Normal Cost	183,761,485	164,417,618
b) Amortization Payments	283,462,592	239,229,001
c) Prior Contribution Variance	<u>-1,789,430</u>	<u>19,282,468</u>
TOTAL Required Contribution	465,434,647	422,929,087
Less, Act 414 appropriation	317,366	317,366
Less, Act 353 appropriation	<u>227,355</u>	<u>145,487</u>
NET contribution required	464,889,926	422,466,234
	18.5%	18.8%
PERSAC Approved rate ²	18.5%	20.4%
Employer Normal Cost Rate	7.3052%	7.3229%
VI. Projected Employer Contributions To Fund Next Plan Year ¹		
a) Employer Portion of Normal Cost	189,084,260	169,190,218
b) Amortization Payments	298,305,770	253,432,998
c) Prior Contribution Variance	<u>-6,565,534</u>	<u>6,169,363</u>
TOTAL Required Contribution	480,824,496	428,792,579
Less, Act 414 appropriation	317,366	317,366
Less, Act 353 & 740 appropriation	<u>227,355</u>	<u>145,487</u>
NET contribution required	480,279,775	428,329,726
	18.6%	18.5%
VII. Current Payroll	2,436,955,566	2,175,366,607
Projected Payroll - Mid Year	2,515,495,759	2,245,266,327
Projected Payroll - Next Year	2,588,358,792	2,310,440,355

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

² 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, 2008	June 30, 2007	June 30, 2006
<u>OPERATING REVENUES:</u>			
1. Contribution Income			
Member	\$ 192,412,444	\$ 167,957,870	\$ 165,509,666
Employer	505,678,953	416,329,361	411,250,496
ORP	805,806	730,009	657,413
2. Other Income			
Legislative Appropriations	20,000,000	0	13,600,000
Transfers/Purchases	6,444,250	6,328,737	21,769,527
Miscellaneous	9,257,397	5,226,537	10,688,345
TOTAL CONTRIBUTIONS	734,598,850	596,572,514	623,475,447
3. Investment Income			
Investments	-313,154,963	1,506,461,212	862,077,612
Less, Investment Expenses	-43,908,306	-32,962,019	-28,869,631
TOTAL INVESTMENT INCOME	-357,063,270	1,473,499,193	833,207,981
4. Total Revenues	377,535,580	2,070,071,707	1,456,683,428
<u>OPERATING EXPENSES:</u>			
1. General Administration	19,055,023	14,889,428	15,192,280
Other Expenses	1,287,633	894,622	849,292
2. Benefits Paid			
a) Pension Benefits	718,303,319	673,617,033	620,367,483
b) Return of Contrib.	32,149,383	38,030,600	37,821,549
TOTAL BENEFITS PAID	750,452,702	711,647,633	658,189,032
3. Total Operating Expenses	770,795,358	727,431,683	674,230,604
<u>NET INCOME:</u>	-393,259,778	1,342,640,024	782,452,824

EXHIBIT 2 (Continued)
Financial Summary

FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING

<u>ASSETS:</u> (at market)	----Prior Years---		
	June 30, 2008	June 30, 2007	June 30, 2006
1. Short Term Assets			
Cash/Cash Equivalencies	\$ 90,020,186	\$ 67,611,116	\$ 65,797,087
Short term Investments	434,203,918	483,463,603	267,778,423
2. Bonds			
Domestic issues	1,332,828,250	1,274,967,314	1,302,728,282
International Issues	468,671,657	559,059,972	536,943,431
3. Equities			
Common Stock	2,602,246,396	3,493,953,832	3,505,030,320
International Stock	1,872,528,977	2,354,383,065	1,396,915,595
4. Other Assets			
Fixed Assets	14,839,317	13,579,901	10,183,795
Real Estate & Alternative Assets	2,073,781,826	1,064,709,394	857,963,120
5. Receivables(-)Payables	68,767,265	39,419,373	65,167,493
TOTAL ASSETS - Market Value	8,957,887,792	9,351,147,570	8,008,507,546
Cost Value	8,360,409,796	7,688,861,952	7,110,086,054

ACTUARIAL VALUE OF ASSETS:

TOTAL ASSETS	\$ 8,957,887,793	\$ 9,351,147,570	\$8,008,507,546
Change in Unrealized (G/L)			
Plan Year - 2 (wt. 1/4)	266,772,313	96,066,547	630,822,217
Plan Year - 1 (wt. 2/4)	763,864,126	266,772,313	96,066,547
Plan Year (wt. 3/4)	(1,064,807,621)	763,864,126	266,772,313
Actuarial Value of Assets	9,307,868,368	8,620,846,682	7,602,689,484

INVESTMENT YIELD:

Yield to Market Value (Total Assets)	-3.83%	18.55%	11.58%
Yield to Market Value (Excl. Self Directed)	-3.91%		
Yield to Actuarial Value	8.49%	14.21%	12.96%
Five Year Actuarial Value	10.65%	8.06%	4.28%
DROP Account Yield	7.99%	13.71%	12.46%

EXHIBIT 2 (Continued)
Financial Summary

FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING

	---- Prior Years ----		
	June 30, 2008	June 30, 2007	June 30, 2006
<u>EMPLOYER CREDIT ACCOUNT¹:</u>			
Prior Year Ending Balance	\$ -	\$ -	\$ -
+ Contributions	-	-	-
- Disbursements	-	-	-
+ Accumulated Interest	-	-	-
Account Balance - Year End	-	-	-
<u>INITIAL UAL FUND:</u>			
Prior Year Ending Balance	\$ 53,277,055	\$ 46,647,816	\$ 29,255,081
+ Current Year Allocation	20,000,000	-	13,600,000
+ Accumulated Interest	4,794,178	6,629,239	3,792,735
Fund Balance - Year End	78,071,233	53,277,055	46,647,816
<u>EXPERIENCE ACCOUNT FUND:</u>			
Prior Year Ending Balance	\$ 275,351,338	\$ 171,905,146	\$ 105,289,193
+ Experience Account Allocation	9,061,232	243,547,257	155,832,126
- Benefit Disbursements	167,079,106 ²	164,530,940	102,866,246
+ Accumulated Interest	23,365,006	24,429,875	13,650,073
Fund Balance - Year End	140,698,470	275,351,338	171,905,146
<u>DEVELOPMENT OF VALUATION ASSETS:</u>			
Actuarial Value of Assets	\$ 9,307,868,368	\$ 8,620,846,682	\$ 7,602,689,484
- Employer Credit Account	-	-	-
- Initial UAL Fund	78,071,233	59,906,294	46,647,816
- Experience Account Fund	140,698,470	378,797,530	171,905,146
Valuation Assets	9,089,098,665	8,182,142,858	7,384,136,522

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

²Disbursement includes cost of 2008 COLA of \$153,535,263 and correction to prior year balance plus interest of \$13,554,217.

EXHIBIT 3

**PENSION ACCOUNTING
AND
FINANCIAL DISCLOSURE**

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

SCHEDULE OF FUNDING PROGRESS

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets ¹ (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) ¹ (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
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%
2008	9,167,170	13,562,214	4,395,044	67.6%	2,436,956	180.3%

The total actuarial accrued liability determined using the Projected Unit Credit cost method increased by \$1,140,306,794 from June 30, 2007 to June 30, 2008. There was a net experience loss of \$339,348,435. Acts 262 and 740 of 2008 enhanced benefits for Act 75 members and Alcohol Tobacco Control employees, increasing the liability \$2,564,498.

¹ 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 ¹
1999	226,387,848	102.10%	228,233,262	231,043,705	101.2%	-12,480,844
2000	250,678,505	99.80%	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
2008	456,741,202	115.4%	440,894,520	526,963,256	100.4%	-34,972,653

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).

(1) Actuarial Required Contribution	456,741,202
(2) Interest on Net Pension Obligation	4,215,428
(3) Amortization of Net Pension Obligation	<u>20,062,108</u>
(4) Annual Pension Cost (1)+(2)-(3)	440,894,522
(5) Employer Contribution	526,963,256
(6) Increase (decrease) in Net Pension Obligation	-86,068,734
(7) Net Pension Obligation Beginning of Year	51,096,083
(8) Net Pension Obligation End of Year (6)+(7)	-34,972,651

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

EXHIBIT 3 (Continued)
Pension Accounting & Financial Disclosure

STATISTICAL DATA
 COMPARATIVE SUMMARY OF REVENUES BY SOURCE
 AND EXPENSES BY TYPE

Revenues by Source				
Fiscal Year	Members Contribution	Employer Contribution ¹	Investment Income	Total
1999	135,479,230	228,104,989	470,204,750 ²	833,788,969
2000	147,090,812	244,763,341	665,087,756	1,056,941,909 ²
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 ³	679,668,393
2004	163,277,178	345,317,005	996,067,481 ³	1,504,661,664 ³
2005	169,143,849	429,233,725	650,345,828	1,248,723,402 ³
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
2008	192,412,444	542,186,406	-357,063,270	377,535,580

Expenses by Type				
Fiscal Year	Benefits	Refunds	Administrative Expenses ⁴	Total
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
2008	718,303,319	32,149,383	20,342,656	770,795,358

¹ Includes transfers and purchases and the annual employer contribution, and any legislative appropriations

² Prior to June 30, 1999, reported realized investment income. A change in Asset Valuation Method now reports realized and unrealized investment income at market (see Exhibit 6).

³ 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.

⁴ 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:

	Census		
	2008	2007	2006
Active Members	61,780	60,444	57,811
Regular Retirees	29,416 *	30,190	28,944
Disability Retirees	2,669 *	1,134	1,202
Survivors	5,490	5,418	5,409
Vested & Reciprocals	1,824	1,980	2,492
Due Refunds	47,828	43,797	43,382
DROP Participants	2,643	2,624	2,577
Total	151,650	145,587	141,817

* In 2008, there was a shift of 1,582 members from regular retirement status to disability status. These are disability retirees who have reached normal retirement eligibility requirements and are considered regular retirees by LASERS. For purposes of the Actuarial Valuation only, these retirees will be classified as disability retirees and liabilities will be calculated accordingly.

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
REGULAR MEMBERS before 7/06

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2008

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total
[0 - 19):	0	1	0	0	1	0	0	0	0	2
:	0	22322	0	0	46430	0	0	0	0	68752
[20 - 24):	22	382	28	0	0	0	0	0	0	432
:	474838	8873474	713795	0	0	0	0	0	0	10062107
[25 - 29):	19	1492	841	34	1	0	0	0	0	2387
:	381782	46778571	26227669	1080953	43532	0	0	0	0	74512507
[30 - 34):	11	1128	1814	565	16	0	0	0	0	3534
:	307744	36730957	67884954	21269121	683894	0	0	0	0	126876670
[35 - 39):	19	999	1625	1434	560	28	2	0	0	4667
:	469107	33426590	61963625	61340068	24801218	1234259	90335	0	0	183325202
[40 - 44):	15	856	1432	1413	1509	613	113	0	0	5951
:	411702	28537673	52072175	59041631	72776731	28620111	5432395	0	0	246892418
[45 - 49):	15	926	1445	1362	1497	1301	1764	58	0	8368
:	354097	31351650	51087803	54515757	69085200	64712691	85106459	2738126	0	358951783
[50 - 54):	9	763	1326	1313	1434	1082	2046	340	6	8319
:	274219	25880189	48295701	53049268	66651795	52056058	107569067	20103727	325381	374205405
[55 - 59):	11	515	1018	1080	1191	806	376	205	51	5253
:	344732	17626353	36961514	43430349	54859910	38710714	20878579	13758855	3043514	229614520
[60 - 64):	2	149	542	381	341	166	126	57	31	1795
:	35488	5563572	20251374	15478550	16158757	8792182	6824116	3405711	1918957	78428707
[65 - 69):	0	29	105	92	107	46	35	16	10	440
:	0	1188169	3817984	3937541	5184855	2317878	1758049	874707	729271	19808454
[70 - 74):	0	10	26	25	37	32	18	13	11	172
:	0	311678	917322	1096574	1650379	1504875	990260	593330	480988	7545406
Total	123	7250	10202	7699	6694	4074	4480	689	109	41320
:	3053709	236291198	370193916	314239812	311942701	197948768	228649260	41474456	6498111	1710291931

AVERAGES --- Attained Age 46.24
Service Years 13.39
Active Salary 41,391

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
REGULAR MEMBERS after 7/06

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2008

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total
[0 - 19):	152	22	0	0	0	0	0	0	0	174
:	2533623	389577	0	0	0	0	0	0	0	2923200
[20 - 24):	1066	709	0	0	0	0	0	0	0	1775
:	22199504	17005109	0	0	0	0	0	0	0	39204613
[25 - 29):	1318	1265	10	0	0	0	1	0	0	2594
:	32410689	35747824	113687	0	0	0	13624	0	0	68285824
[30 - 34):	866	870	16	1	0	1	0	1	0	1755
:	23112278	26761489	319013	10607	0	29381	0	19748	0	50252516
[35 - 39):	837	748	11	5	3	0	0	0	0	1604
:	24290783	23211878	312501	115338	45580	0	0	0	0	47976080
[40 - 44):	668	647	8	5	3	1	0	0	1	1333
:	19706900	19549233	147558	117113	45663	35662	0	0	18342	39620471
[45 - 49):	576	592	7	5	6	2	3	0	0	1191
:	16799007	18047552	155396	126297	112670	20201	100771	0	0	35361894
[50 - 54):	523	534	4	1	5	2	3	0	1	1073
:	15774219	16883297	93727	7952	165248	91398	54991	0	15683	33086515
[55 - 59):	252	278	3	5	3	1	0	0	1	543
:	8282102	9245898	106970	194393	48023	23925	0	0	22115	17923426
[60 - 64):	71	67	0	1	2	0	0	1	0	142
:	3047078	2150939	0	66364	40173	0	0	22675	0	5327229
[65 - 69):	16	8	0	0	0	0	0	0	0	24
:	457649	212763	0	0	0	0	0	0	0	670412
[70 - 74):	3	2	0	0	0	0	0	0	0	5
:	88290	44287	0	0	0	0	0	0	0	132577
Total	6348	5742	59	23	22	7	7	2	3	12213
Total	168702121	169249846	1248852	638064	457357	200567	169386	42423	56140	340764756

AVERAGES --- Attained Age 36.30
Service Years 1.11
Active Salary 27,902

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
PARTICIPATING LEGISLATORS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2008

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)	1	0	0	1	0	0	0	0	0	2
[40 - 44)	97283	0	0	39736	0	0	0	0	0	137019
[45 - 49)	0	0	0	2	0	0	0	0	0	2
[50 - 54)	0	0	0	68184	0	0	0	0	0	68184
[55 - 59)	0	1	0	0	1	2	0	0	0	4
[60 - 64)	0	26619	0	0	45371	142933	0	0	0	214923
[65 - 69)	0	0	0	0	1	0	0	0	0	1
[70 - 74)	0	0	0	0	45999	0	0	0	0	45999
[75 - 79)	0	3	1	0	1	1	1	0	0	7
[80 - 84)	0	81859	40798	0	89135	39531	39669	0	0	290992
[85 - 89)	0	0	0	0	0	0	0	0	0	0
[90 - 94)	0	1	0	1	0	0	0	0	0	2
[95 - 99)	0	26762	0	41545	0	0	0	0	0	68307
[100 - 104)	0	0	0	0	0	2	0	0	0	2
[105 - 109)	0	0	0	0	0	83326	0	0	0	83326
[110 - 114)	0	0	0	0	0	0	0	0	0	0
[115 - 119)	0	0	0	0	0	0	0	0	0	0
Total	1	5	1	4	3	5	1	0	0	20
Total	97283	135240	40798	149465	180505	265790	39669	0	0	908750

AVERAGES --- Attained Age 53.29
Service Years 12.96
Active Salary 45,437

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
ACTIVE JUDGES

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2008

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	2	1	1	0	0	0	0	0	4
[40 - 44)	1	6	8	4	0	1	0	0	0	20
[45 - 49)	2	10	10	18	7	1	1	0	0	49
[50 - 54)	1	1	19	33	19	7	4	0	0	84
[55 - 59)	0	3	17	20	19	10	6	0	0	75
[60 - 64)	0	2	10	11	10	4	8	4	0	49
[65 - 69)	0	1	2	6	4	4	3	0	0	20
[70 - 74)	0	0	0	4	2	2	0	0	0	8
Total	4	25	67	97	61	29	22	4	0	309
Total	355964	2793813	7613330	11158232	6931177	3335213	2582259	422214	0	35192202

AVERAGES --- Attained Age 55.02
Service Years 13.56
Active Salary 113,891

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
CORRECTIONS PRIMARY before 1986

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2008

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	1	0	0	0	1
[40 - 44)	0	0	0	0	0	15	0	0	0	15
[45 - 49)	0	0	0	0	0	35	7	1	0	43
[50 - 54)	0	0	0	0	0	21	4	2	0	27
[55 - 59)	0	0	0	0	0	6	6	2	1	15
[60 - 64)	0	0	0	0	0	5	2	1	0	8
[65 - 69)	0	0	0	0	0	2	2	0	0	4
[70 - 74)	0	0	0	0	0	0	1	0	0	1
Total	0	0	0	0	0	85	22	6	1	114
Total	0	0	0	0	0	5040026	1128205	282329	35643	6486203

AVERAGES --- Attained Age 51.44
Service Years 24.12
Active Salary 56,897

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
CORRECTIONS PRIMARY after 1986

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2008

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	7	0	0	0	0	0	0	7
:[30 - 34):	0	1	20	16	0	0	0	0	0	37
:[35 - 39):	1	0	27	30	11	0	0	0	0	69
:[40 - 44):	0	0	30	50	38	4	0	0	0	122
:[45 - 49):	1	1	68	66	71	18	0	0	0	225
:[50 - 54):	0	0	64	51	84	15	0	0	0	214
:[55 - 59):	0	0	27	40	59	16	0	0	0	142
:[60 - 64):	0	0	10	15	19	1	0	0	0	45
:[65 - 69):	0	0	2	0	1	1	0	0	0	4
:[70 - 74):	0	0	0	0	2	0	0	0	0	2
Total	2	2	255	268	285	55	0	0	0	867
Total	97494	89937	9587440	11599971	14584814	2915927	0	0	0	38875583

AVERAGES --- Attained Age 49.05
Service Years 13.41
Active Salary 44,839

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
CORRECTIONS SECONDARY

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2008

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total
[0 - 19)	59	14	0	0	0	0	0	0	0	73
	1396196	350881	0	0	0	0	0	0	0	1747077
[20 - 24)	224	234	13	0	0	0	0	0	0	471
	5499728	6465008	382840	0	0	0	0	0	0	12347576
[25 - 29)	192	319	183	9	0	0	1	0	0	704
	4744069	9661169	6319525	349943	0	0	23147	0	0	21097853
[30 - 34)	92	192	199	83	7	0	0	0	0	573
	2311892	5920437	7336918	3512619	379952	0	0	0	0	19461818
[35 - 39)	97	163	194	150	110	4	0	0	0	718
	2738015	5154223	7238369	6712799	5725630	198360	0	0	0	27767396
[40 - 44)	93	148	165	72	159	56	3	0	0	696
	2500891	4651876	6016293	3106140	8359517	3179078	205269	0	0	28019064
[45 - 49)	49	125	117	43	62	37	17	0	0	450
	1272847	4049962	4284632	1804696	3285580	2113481	853084	0	0	17664282
[50 - 54)	44	95	75	31	30	18	9	6	1	309
	1181676	2965238	2783162	1282601	1484289	1095308	578162	324313	50255	11745004
[55 - 59)	23	63	61	33	31	7	5	2	0	225
	580638	1993123	2191195	1517498	1511294	393425	331508	89578	0	8608259
[60 - 64)	8	22	21	14	13	4	1	0	1	84
	242864	802791	814980	664914	680705	221480	51570	0	91755	3571059
[65 - 69)	1	5	4	6	4	1	0	0	1	22
	19227	195299	163161	259388	198072	72028	0	0	52164	959339
[70 - 74)	1	2	1	1	0	1	0	0	0	6
	34000	59423	44586	36127	0	63521	0	0	0	237657
Total	883	1382	1033	442	416	128	36	8	3	4331
Total	22522042	42269430	37575661	19246725	21625039	7336681	2042740	413891	194174	153226383

AVERAGES --- Attained Age 37.93
Service Years 6.52
Active Salary 35,379

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
WILDLIFE before 2003

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2008

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	6	1	0	0	0	0	0	7
[30 - 34):	0	0	29	6	2	0	0	0	0	37
[35 - 39):	0	0	14	18	9	1	0	0	0	42
[40 - 44):	0	0	6	5	11	3	0	0	0	25
[45 - 49):	0	0	2	3	13	2	2	0	0	22
[50 - 54):	0	0	0	1	1	6	2	1	0	11
[55 - 59):	0	0	1	0	2	1	1	0	0	5
[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
Total	0	0	58	34	38	13	5	1	0	149
Total	0	0	2921556	1825892	2321216	841345	396025	105344	0	8411378

AVERAGES --- Attained Age 40.04
Service Years 13.02
Active Salary 56,452

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
WILDLIFE after 2003

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2008

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
:	151328	406913	0	0	0	0	0	0	0	558241
:	:	:	:	:	:	:	:	:	:	:
[25 - 29):	4	37	0	0	0	0	0	0	0	41
:	121062	1497997	0	0	0	0	0	0	0	1619059
:	:	:	:	:	:	:	:	:	:	:
[30 - 34):	0	6	0	0	0	0	0	0	0	6
:	0	241270	0	0	0	0	0	0	0	241270
:	:	:	:	:	:	:	:	:	:	:
[35 - 39):	1	7	0	0	0	0	0	0	0	8
:	30266	290991	0	0	0	0	0	0	0	321257
:	:	:	:	:	:	:	:	:	:	:
[40 - 44):	0	2	0	0	0	0	0	0	0	2
:	0	71709	0	0	0	0	0	0	0	71709
:	:	:	:	:	:	:	:	:	:	:
[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
:	:	:	:	:	:	:	:	:	:	:
Total :	10	63	0	0	0	0	0	0	0	73
Total :	302656	2508880	0	0	0	0	0	0	0	2811536

AVERAGES --- Attained Age 28.55
Service Years 2.33
Active Salary 38,514

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
PEACE OFFICERS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2008

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total
[0 - 19):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	:	:	:	:	:	:	:	:	:	:
[20 - 24):	1	2	1	0	0	0	0	0	0	4
:	23553	57906	27085	0	0	0	0	0	0	108544
:	:	:	:	:	:	:	:	:	:	:
[25 - 29):	0	5	5	1	0	0	0	0	0	11
:	0	162546	170585	30765	0	0	0	0	0	363896
:	:	:	:	:	:	:	:	:	:	:
[30 - 34):	0	4	2	5	0	0	0	0	0	11
:	0	147392	76801	208623	0	0	0	0	0	432816
:	:	:	:	:	:	:	:	:	:	:
[35 - 39):	1	3	5	3	2	0	0	0	0	14
:	23441	106893	173948	102233	100348	0	0	0	0	506863
:	:	:	:	:	:	:	:	:	:	:
[40 - 44):	0	1	2	3	15	3	0	0	0	24
:	0	32852	89801	125615	721984	147795	0	0	0	1118047
:	:	:	:	:	:	:	:	:	:	:
[45 - 49):	0	0	0	5	4	2	3	0	0	14
:	0	0	0	193654	181450	113134	158833	0	0	647071
:	:	:	:	:	:	:	:	:	:	:
[50 - 54):	0	2	1	2	6	1	4	0	0	16
:	0	83577	50039	91425	288244	48821	192902	0	0	755008
:	:	:	:	:	:	:	:	:	:	:
[55 - 59):	1	1	5	1	0	2	1	0	0	11
:	34763	47058	236023	41463	0	103840	52824	0	0	515971
:	:	:	:	:	:	:	:	:	:	:
[60 - 64):	0	2	4	1	0	0	0	0	0	7
:	0	88309	184054	52312	0	0	0	0	0	324675
:	:	:	:	:	:	:	:	:	:	:
[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 :	3	20	25	21	27	8	8	0	0	112
Total :	81757	726533	1008336	846090	1292026	413590	404559	0	0	4772891

AVERAGES --- Attained Age 43.80
Service Years 12.54
Active Salary 42,615

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
ALCOHOL TOBACCO CONTROL

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2008

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):	2	2	0	0	0	0	0	0	0	4
:[25 - 29):	1	5	1	0	0	0	0	0	0	7
:[30 - 34):	3	3	4	0	0	0	0	0	0	10
:[35 - 39):	0	0	2	3	2	0	0	0	0	7
:[40 - 44):	0	1	0	1	4	0	0	0	0	6
:[45 - 49):	0	0	1	1	2	0	1	0	0	5
:[50 - 54):	0	0	0	0	0	0	0	0	0	0
:[55 - 59):	0	0	1	1	1	0	0	0	0	3
:[60 - 64):	0	0	0	1	0	0	0	0	0	1
:[65 - 69):	0	0	0	0	0	0	0	0	0	0
:[70 - 74):	0	0	0	0	0	0	0	0	0	0
Total	6	11	9	7	9	0	1	0	0	43
Total	73606	334860	362955	338324	556604	0	49225	0	0	1715574

AVERAGES --- Attained Age 36.94
Service Years 8.31
Active Salary 39,897

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
ACTIVE AFTER DROP

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY
DROP BENEFITS

VALUATION DATE 6/30/2008

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	2	0	0	0	0	0	0	0	8
:	244789	115816	0	0	0	0	0	0	0	360605
:	134196	38184	0	0	0	0	0	0	0	172380
[45 - 49):	2	10	8	9	9	8	0	0	0	46
:	62258	554693	496448	524635	526438	522662	0	0	0	2687134
:	47028	189852	153144	156120	140784	117660	0	0	0	804588
[50 - 54):	93	61	32	8	7	32	0	0	0	233
:	3829760	3410913	1758294	532736	428988	2035939	0	0	0	11996630
:	2763288	1702620	804684	209904	134412	537684	0	0	0	6152592
[55 - 59):	228	158	121	71	61	55	2	0	0	696
:	10638704	8931596	6949908	4082011	3572177	3255721	147314	0	0	37577431
:	7349232	4560744	3598704	2053476	1581648	1181484	40728	0	0	20366016
[60 - 64):	136	124	149	88	66	135	2	0	0	700
:	5109166	5933061	9043387	5478012	4258022	8497937	161645	0	0	38481230
:	2394612	2382540	4228692	2506176	1807764	3682344	50856	0	0	17052984
[65 - 69):	15	17	98	70	50	126	9	0	0	385
:	574616	729206	4607471	3665729	2478127	7007586	580904	0	0	19643639
:	157884	271764	1330620	1124340	744168	2527788	225360	0	0	6381924
[70 - 74):	5	2	4	15	9	106	20	0	0	161
:	300409	126843	316576	665693	475047	5882278	956326	0	0	8723172
:	99372	22164	101220	209088	156924	1758468	354600	0	0	2701836
Total	485	374	412	261	202	462	33	0	0	2229
Total	20759702	19802128	23172084	14948816	11738799	27202123	1846189	0	0	119469841
Total	12945612	9167868	10217064	6259104	4565700	9805428	671544	0	0	53632320

AVERAGES --- Attained Age 61.15
Post Drop Years 3.21
Active Salary 53,598
Annual Benefit 24,061

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
POST RETIREMENT SERVICE

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2008

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	0	0	0	0	0	0	0	2
[45 - 49)	7	7	5	0	0	1	0	0	0	20
[50 - 54)	8	24	15	2	0	0	0	0	0	49
[55 - 59)	18	28	21	3	2	0	1	0	2	75
[60 - 64)	16	28	34	1	1	0	2	0	2	84
[65 - 69)	7	15	44	6	3	0	1	0	3	79
[70 - 74)	4	8	48	8	7	1	0	0	2	78
Total	60	112	167	20	13	2	4	0	9	387
Total	1252390	4857227	6457203	668150	384498	60000	106726	0	242344	14028538

AVERAGES --- Attained Age 62.41
Service Years 6.32
Active Salary 36,249

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

STATE EMPLOYEES' SYSTEM
REGULAR RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2008

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	1	1
:	0	0	0	0	0	0	0	0	10440	10440
:										
[40 - 44):	15	13	10	8	4	7	0	0	0	57
:	249396	227952	138228	135576	47856	123804	0	0	0	922812
:										
[45 - 49):	55	75	67	32	29	154	5	0	0	417
:	1661880	1508592	1019172	507804	374388	1977000	63948	0	0	7112784
:										
[50 - 54):	263	293	285	158	104	367	91	2	0	1563
:	7990428	7556352	6532500	3528216	2039664	4952316	1106844	33132	0	33739452
:										
[55 - 59):	449	601	689	479	352	971	210	15	0	3766
:	14485380	17750652	18627576	13598700	10141044	21953580	3160896	234996	0	99952824
:										
[60 - 64):	451	546	690	565	507	2018	541	51	14	5383
:	8512680	9916464	15359544	13110588	13256424	52410144	12031272	1158996	212076	125968188
:										
[65 - 69):	81	131	300	325	383	2380	1129	178	223	5130
:	1524408	1771584	4866936	5525508	6614844	47687100	27632316	4045824	4499316	104167836
:										
[70 - 74):	28	32	58	42	74	1350	1613	414	962	4573
:	645192	582852	918408	717768	1143672	22693224	31630788	9287364	18709128	86328396
:										
[75 - 79):	4	7	9	8	23	312	1187	886	1300	3736
:	84936	143496	214644	130908	451680	5783016	20309400	12873384	23512884	63504348
:										
[80 - 84):	2	1	1	1	1	71	341	711	1596	2725
:	78072	27324	18036	2484	3348	1160676	7040712	9796152	25508664	43635468
:										
[85 - 89):	0	0	1	2	0	18	41	153	1281	1496
:	0	0	52116	110808	0	273864	835812	2434512	18075588	21782700
:										
[90 - 99):	0	0	0	0	0	0	7	9	553	569
:	0	0	0	0	0	0	220560	180000	6859800	7260360
:										
Total	1348	1699	2110	1620	1477	7648	5165	2419	5930	29416
Total	35232372	39485268	47747160	37368360	34072920	159014724	104032548	40044360	97387896	594385608

AVERAGES --- Attained Age 69.11
Years Retired 11.13
Annual Benefit 20,206

In 2008, there was a shift of 1,582 members from regular retirement status to disability status. See Pg. 17 for explanation.

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

STATE EMPLOYEES' SYSTEM
DISABILITY RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2008

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total
[0 - 39):	2	0	4	1	0	1	0	0	0	8
:	21720	0	66072	6804	0	10188	0	0	0	104784
[40 - 44):	14	8	9	8	5	14	0	0	0	58
:	225816	81600	95652	123864	56964	146124	0	0	0	730020
[45 - 49):	11	17	19	17	15	73	20	9	0	181
:	135876	263628	290232	306648	226428	903168	161508	65076	0	2352564
[50 - 54):	29	55	33	38	25	135	62	22	7	406
:	443820	890340	572628	775116	402132	1860240	655680	157464	40812	5798232
[55 - 59):	24	31	45	37	37	185	96	47	16	518
:	370884	468732	690492	670344	558120	2733060	1173252	460284	147660	7272828
[60 - 64):	2	5	14	23	24	177	126	83	48	502
:	17460	46332	173256	261384	311448	2275104	1678428	840120	463428	6066960
[65 - 69):	0	0	1	0	0	55	129	111	80	376
:	0	0	4404	0	0	666204	1510860	1116984	762696	4061148
[70 - 74):	0	1	0	0	0	0	68	103	102	274
:	0	56376	0	0	0	0	673476	1011048	940224	2681124
[75 - 79):	0	0	0	0	0	1	0	33	139	173
:	0	0	0	0	0	51060	0	293784	1368540	1713384
[80 - 84):	0	0	0	0	0	0	0	0	113	113
:	0	0	0	0	0	0	0	0	1030116	1030116
[85 - 89):	0	0	0	0	0	0	0	0	50	50
:	0	0	0	0	0	0	0	0	438912	438912
[90 - 99):	0	0	0	0	0	0	0	0	10	10
:	0	0	0	0	0	0	0	0	77040	77040
Total :	82	117	125	124	106	641	501	408	565	2669
Total :	1215576	1807008	1892736	2144160	1555092	8645148	5853204	3944760	5269428	32327112

AVERAGES --- Attained Age 62.63
Years Retired 12.83
Annual Benefit 12,112

In 2008, there was a shift of 1,582 members from regular retirement status to disability status. See Pg. 17 for explanation.

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

STATE EMPLOYEES' SYSTEM
SURVIVOR BENEFITS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2008

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total
[0 - 39)	21	34	34	26	21	137	118	79	67	537
	548256	1132788	843012	839796	798156	3675396	2275452	1485696	972828	12571380
[40 - 44)	3	5	5	0	0	3	11	4	10	41
	77532	98712	97272	0	0	41268	111312	64716	142344	633156
[45 - 49)	10	7	4	8	6	22	13	6	13	89
	194832	137364	47388	91176	99336	299088	156756	56556	138564	1221060
[50 - 54)	12	9	11	13	4	30	15	8	16	118
	200544	272376	254052	290808	52968	416796	223608	89376	180300	1980828
[55 - 59)	16	18	21	15	20	70	33	17	41	251
	395736	456276	437916	281424	406272	1321932	423324	168708	416436	4308024
[60 - 64)	21	17	22	15	20	68	72	54	94	383
	550548	475692	539268	229920	397908	1436472	1112640	649464	924936	6316848
[65 - 69)	26	25	22	18	17	93	86	84	210	581
	501012	777300	491436	345708	296304	1627332	1448736	1203732	2530956	9222516
[70 - 74)	12	14	8	16	11	62	103	134	406	766
	190344	238692	139320	300900	205440	970572	1249836	1924944	4734744	9954792
[75 - 79)	6	8	9	11	11	37	61	148	594	885
	104304	153732	141576	184164	195372	467112	828780	1576272	6604020	10255332
[80 - 84)	6	2	2	3	3	15	34	83	817	965
	288204	29748	25548	39096	100956	195516	474372	1234992	8691900	11080332
[85 - 89)	0	0	0	1	0	1	4	30	554	590
	0	0	0	21480	0	8736	66840	357852	5488536	5943444
[90 - 99)	0	0	0	0	0	1	1	4	278	284
	0	0	0	0	0	20568	14928	30864	2400888	2467248
Total	133	139	138	126	113	539	551	651	3100	5490
Total	3051312	3772680	3016788	2624472	2552712	10480788	8386584	8843172	33226452	75954960

AVERAGES --- Attained Age 70.02
Years Retired 19.83
Annual Benefit 13,835

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
TERM-VESTED/RECIPROCAL

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2008

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	2	2	2	0	0	0	0	0	6
[30 - 34)	0	1	5	21	2	0	0	0	0	29
[35 - 39)	0	1	0	99	51	0	0	0	0	151
[40 - 44)	0	1	1	85	137	33	1	0	0	258
[45 - 49)	1	0	2	66	168	99	67	7	0	410
[50 - 54)	0	1	0	72	146	88	107	30	3	447
[55 - 59)	0	2	0	55	133	65	73	60	22	410
[60 - 64)	0	0	1	5	17	8	14	12	19	76
[65 - 69)	0	0	0	0	1	1	1	5	3	11
[70 - 74)	0	0	0	0	1	0	3	2	20	26
Total	1	8	11	405	656	294	266	116	67	1824
Total	1188	18324	38304	4778122	9089429	4666288	4024101	1440924	517260	24573940

AVERAGES --- Attained Age 50.48
Service Years 20.36
Annual Benefit 13,473

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

STATE EMPLOYEES' SYSTEM
DROP PARTICIPANTS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2008

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total
[0 - 39):	0	0	0	0	0	0	0	0	0	0
[40 - 44):	0	0	3	0	0	0	0	0	0	3
[45 - 49):	74	38	12	0	0	0	0	0	0	124
[50 - 54):	273	243	159	2	0	0	0	0	0	677
[55 - 59):	317	369	347	2	0	0	0	0	0	1035
[60 - 64):	274	284	196	4	0	0	0	0	0	758
[65 - 69):	13	15	9	0	0	0	0	0	0	37
[70 - 74):	4	0	3	0	0	0	0	0	0	7
[75 - 79):	0	1	1	0	0	0	0	0	0	2
[80 - 84):	0	0	0	0	0	0	0	0	0	0
[85 - 89):	0	0	0	0	0	0	0	0	0	0
[90 - 99):	0	0	0	0	0	0	0	0	0	0
Total	955	950	730	8	0	0	0	0	0	2643
Total	25911684	25400976	21028908	204444	0	0	0	0	0	72546012

AVERAGES --- Attained Age 56.95
Years Retired 1.41
Annual Benefit 27,448

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 January 1, 1973 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 October 2, 1976; civilian employees who on November 1, 1981 were within five years of retirement eligibility in the Federal Civil Service Retirement and Disability Fund; teachers employed after September 10, 1982; 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 July, 1, 2006 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:

	Historical Contribution	Current Contribution
Regular Employees, hired before 7/1/2006	7.0% of Compensation	7.5% eff. 7/1/1989
Regular Employees, hired after 6/30/2006	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. 7/1/2003
Legislators, Judges	11.0% of Compensation	11.5% eff. 7/1/1989
Peace Officers/Alcohol Tobacco Control	Same as Regular Employees	9.0% eff. 7/1/2006

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 August 1, 1980. Revised to 10.2% effective July 1, 1984. Revised to 11.2% effective September 11, 1985.

RETIREMENT BENEFIT:

NORMAL RETIREMENT:

Eligibility:

1. Regular members hired prior to July 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 July 1, 2006 eligible with 10 years at age 60. Peace Officers' eligibility is 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 December 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 July 1, 2003, age 55 and 10 years, or 20 years at any age. Members hired on or after July 1, 2003, age 60 at 10 years, and 25 years at any age.
6. Alcohol Tobacco Control members: prior to August 15, 2008, eligibility is the same as pre-Act 75 Regular employees. Effective August 15, 2008, eligible at age 60 and 10 years of service, or at any age and 25 years.

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 December 31, 2001, 3.33% of average compensation, plus \$300 supplemental benefit.
3. Annual pension equal to 3.5 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 July 1, 2003.
3.33% of average compensation for service earned on or after July 1, 2003,
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 June 30, 1986 (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, and related Section 415 regulations, 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	\$ 51,710	56	\$105,219	64	\$185,000
49	56,406	57	115,332	65	185,000
50	61,557	58	126,524	66	185,000
51	67,211	59	138,927	67	185,000
52	73,423	60	152,691	68	185,000
53	80,255	61	167,984	69	185,000
54	87,777	62	185,000	70	185,000
55	96,068	63	185,000		

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. 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.
- 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 June 30, 1971; if member of legislature, no interest. No interest credited after June 30, 1971. 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 January 1, 2004 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 January 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 typically conducts 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:

	Regular Members	Correction Members	Wildlife & Judges
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:

Age at Death	Number of Minor Children	Years for Youngest Child to Attain Majority
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 8.25%, net expenses.

ADMINISTRATIVE EXPENSES:

Expenses are included in Aggregate Normal Cost and are assumed to be \$19,100,000 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 - Male	- Death Rates - Female	Disability Rates	Termination Rates	Retirement Rates	DROP Rates	Dur	Salary 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, 2008

Date	Description	Amtz. Method	Amtz. Period	Initial Liability	Years Remain	Remaining Balance	Mid-Year Payment
1993	Initial Liability	I	36	\$ 2,086,424,058	21	\$ 2,937,690,699	\$ 202,425,348
1993	Change in Liability	L	25	(176,172,713)	21	(165,665,161)	(16,202,391)
1994	Change in Liability	L	25	(62,475,258)	21	(58,749,017)	(5,745,774)
1995	Change in Liability	L	25	(72,078,533)	21	(67,779,519)	(6,628,975)
1996	Change in Liability	L	25	85,912,731	21	80,788,598	7,901,290
1997	Change in Liability	L	25	(281,911,688)	21	(265,097,497)	(25,927,077)
1998	Change in Liability	L	25	(105,825,000)	21	(99,513,230)	(9,732,597)
1999	Change in Liability	I	25	103,608,120	21	110,323,429	7,601,977
2000	Change in Liability	I	26	46,867,925	22	50,251,128	3,356,595
2001	Change in Liability	I	27	109,177,843	23	117,800,172	7,642,722
2002	Change in Liability	I	28	468,578,945	24	508,522,809	32,102,563
2003	Change in Liability	I	29	1,142,857,936	25	1,246,913,638	76,719,188
2004	Change in Liability	L	30	113,159,407	26	108,844,503	9,889,817
2005	Change in Liability	L	30	(60,625,273)	27	(58,961,912)	(5,298,480)
2006	Change in Liability	L	30	(156,583,505)	28	(153,834,311)	(13,684,962)
2007	Act 353 - Chg in Lia	L	10	1,004,350	9	935,839	145,487
2007	Act 414 - Chg in Lia	L	30	3,631,308	29	3,600,693	317,366
2007	Change in Liability	L	30	(131,000,739)	29	(129,896,284)	(11,449,099)
2008	Act 262 - Chg in Lia	L	10	1,999,338	10	1,999,338	289,619
2008	Act 740 - Chg in Lia	L	10	565,160	10	565,160	81,868
2008	Change in Liability	L	30	339,348,435	30	339,348,435	29,658,107
Total Outstanding Balance						\$ 4,508,087,510	\$ 283,462,592
Employers Credit Balance							
2004	Contribution Variance	L	5	17,093,381	1	3,980,964	4,141,925
2005	Contribution Variance	L	5	3,452,173	2	1,546,714	836,502
2006	Contribution Variance	L	5	29,394,615	3	19,012,126	7,122,657
2007	Contribution Variance	L	5	12,897,054	4	10,709,599	3,125,106
2008	Contribution Variance	L	5	(70,222,054)	5	(70,222,054)	(17,015,620)
Total Credit Balance						\$ (34,972,651)	\$ (1,789,430)
Total Unfunded Actuarial Accrued Liability						\$ 4,473,114,859	