2005 SUMMARY ANNUAL REPORT

Fiscal Year Ended June 30, 2005

Louisiana State Employees' Retirement System

A Component Unit of the State of Louisiana

A LOOK AT LASERS

ATCHAFALAYA BASIN, CAJUN COUNTRY

MISSION STATEMENT

To improve the financial security and quality of life of LASERS members and their families by utilizing qualified personnel adhering to the highest level of professional standards, prudent management of system assets and cost-effective administration.

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LETTER OF TRANSMITTAL

December 31, 2005

Dear Members:

The goal of the Louisiana State Employees' Retirement System (LASERS) is to ensure the financial soundness of the System while providing premium customer service to our members. Thus, I am pleased to present this 2005 Summary Annual Report as a key component of our member communication program. This report is designed in a user-friendly format to provide stakeholders with fundamental information about LASERS and the System's financial condition.

Successful investment strategy and performance are necessary for LASERS to meet its goals. In order to excel in overall investment performance, LASERS long-term strategic plan for investments seeks to exceed its actuarially required rate of return while minimizing overall investment risk by maintaining a well-diversified portfolio. Investment returns exceeding the target rate of return of 8.25% also reduce the unfunded accrued liability (UAL) balance, fund cost of living adjustments, and pay administrative and operating expenses.

For the fiscal year ended June 30, 2005, the System:

- Increased investment assets by $583.4 million to a total of $7.1 billion;

- Achieved investment returns of 10.2% for the fiscal year ended June 30, 2005; and

- Achieved a three-year return of 10.7%, ranking LASERS in the top 15% of public pension systems for three-year returns.

As of June 30, 2005, the actuarial funded ratio of assets to liabilities was 61.5%, up 1.9% from the previous year. A new funding plan for the System, enacted by the Louisiana Legislature, provides that payments be made to the System so that the UAL accumulated through 1998 will be eliminated by 2029, while changes in the UAL for 1999 and thereafter are amortized over rolling thirty-year periods.

Providing superior customer service is a LASERS objective that calls for improving communication and educational services to members and other interested groups. The Retirement Education Department of LASERS offers pre-retirement seminars to agencies and individual members across the state through on-site visits and video conferencing. These seminars allow LASERS the opportunity to improve members' understanding of laws that impact LASERS, increase members' opportunity for retirement counseling, and improve distribution of information to agencies and members. LASERS also maintains a website that offers agency and member users access to the most current System information, educational programs, including an educational video, forms, publications, and relevant legislation.

LASERS current re-engineering project entitled the State of Louisiana Retirement Information System, or SOLARIS, will also enhance customer service and increase the accuracy and integrity of retirement data processing. SOLARIS is the new pension administration software system that will upgrade LASERS current computer database system and improve and streamline business processes between LASERS agencies and members. The new software system is scheduled to begin generating benefit payments in 2006, and begin handling all member functions in 2007.

Other highlights of the fiscal year ended June 30, 2005 include:

- "Air Time" purchases of service credit totaling $28.7 million in response to legislation enacted by the Louisiana Legislature effective July 1, 2004 - Any LASERS member with at least one year of service credit in the System was allowed eligibility to obtain up to five years of service credit, referred to as "air time", in one-year increments, provided that application for the purchase of service was made on or before June 30, 2005;

- Increased member participation and investment asset growth of LASERS Self-Directed Plan for members coming out of the Deferred Retirement Option Plan (DROP) or electing the Initial Benefit Option (IBO); and

- LASERS payment of 5.56% interest on eligible DROP and IBO accounts.

The System has once again been honored by the Government Finance Officers Association of the United States and Canada (GFOA) for the LASERS 2004 Summary Annual Report. This was the sixth consecutive year that LASERS has received this award.

I trust that you will find this Summary Annual Report useful and informative. Additional information may be found on the LASERS website, www.lasersonline.org.

Regards,

Robert L. Borden, CFA
Executive Director

BOARD OF TRUSTEES

Standing, left to right: Connie Carlton; Cheryl Turner; Kathy Singleton; John Broussard (designee for Ex Officio member Honorable John Kennedy, State Treasurer); Barbara McCann; Judge Trudy M. White; and Cynthia Bridges, 2005 Board Vice Chair

Seated, left to right: Sheryl M. Ranatza; Louis S. Quinn; and Virginia Burton, 2005 Board Chair

Not pictured: Honorable John Kennedy (State Treasurer); Representative Pete Schneider (Chairman, House Retirement Committee); and Senator D.A. "Butch" Gautreaux (Chairman, Senate Retirement Committee)

ADMINISTRATIVE ORGANIZATION

Robert L. Borden, CFA
Executive Director

Vacant
Assistant Director for Administration

Cynthia Rougeou
Assistant Director for Operations

Jennifer N. Templet
Policy & Research Director

Robert Beale, CFA
Chief Investment Officer

Jeanette Eckert, CPA, CIA
Audit Services Director

Sonia Mallett
Executive Counsel

GFOA AWARD 2004

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Financial Reporting to the Louisiana State Employees' Retirement System for its Popular Annual Financial Report for the fiscal year ended June 30, 2004. The Award for Outstanding Achievement in Popular Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive the Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of only one year. LASERS has received a Popular Award for the last six consecutive years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

GOALS & OBJECTIVES

Offer exceptional customer service

- Provide accurate and timely information
- Provide effective retirement education for both members and agency liaisons
- Improve IT implementation
- Conduct Data Integrity Project

Increase financial soundness of system

- Eliminate the negative balance in the Experience Account
- Create a standardized benefit plan
- Reduce overhead

Improve the effectiveness of LASERS Investments Program

- Allocate assets to best optimize risk/return performance
- Explore traditional/non-traditional asset classes to increase return and/or decrease risk
- Evaluate and implement asset class strategies
- Conduct Cost Measurement Analysis

Develop a skilled and high-performing team, committed to achieving LASERS goals

- Increase the level of staff training including cross-training
- Increase intra-agency communication
- Improve the workplace experience

MEMBERSHIP HIGHLIGHTS

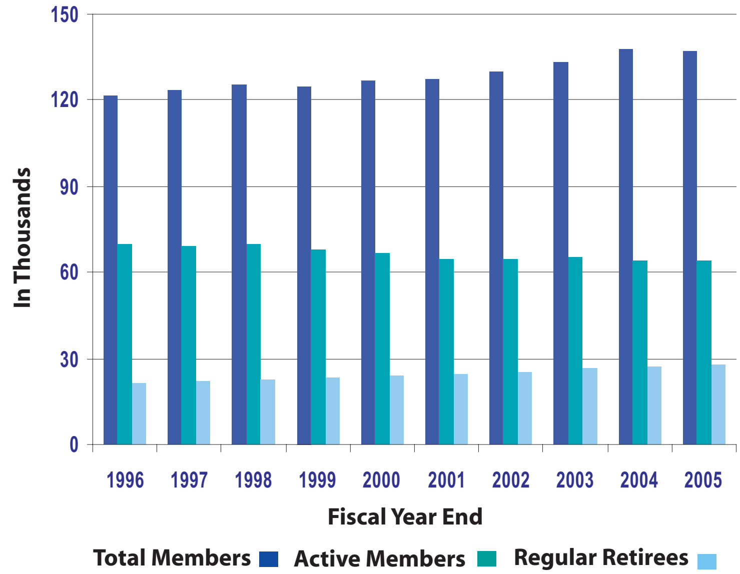
On June 30, 2005, LASERS had a total of 137,048 members, of which there were 64,168 members currently working, 27,646 members on regular retirement, and 2,810 members in DROP. The balance of LASERS membership is made up of disability retirees, survivors, and those members who are no longer working and are either due a refund or can draw a retirement benefit when they reach their qualifying age.

LASERS active membership has remained relatively stable over the past ten fiscal years. The changes in membership from 1996 to 2005 are presented in the table below and the bar chart, shown to the right.

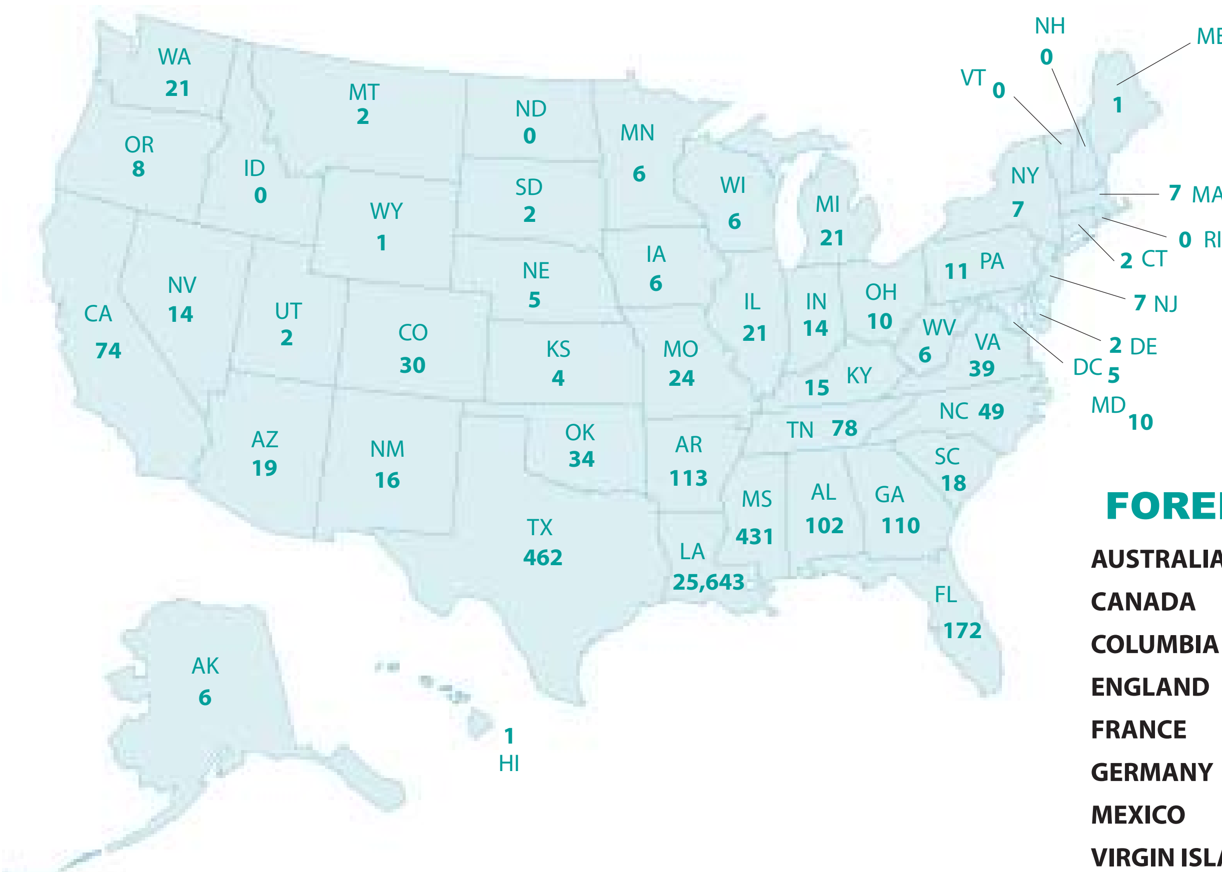
NET CHANGES IN MEMBERSHIP 1996-2005

	Total Members	Active Members	Regular Retirees
Net Change	15,250	(5,512)	6,349
Percent Change	12.5% increase	7.9% decrease	29.8% increase
Annual Average	128,772	66,636	24,338

LASERS CHANGES IN MEMBERSHIP 1996-2005



LOCATION OF LASERS RETIREES



FOREIGN COUNTRIES

AUSTRALIA	1
CANADA	1
COLUMBIA	1
ENGLAND	1
FRANCE	1
GERMANY	1
MEXICO	2
VIRGIN ISLANDS	1

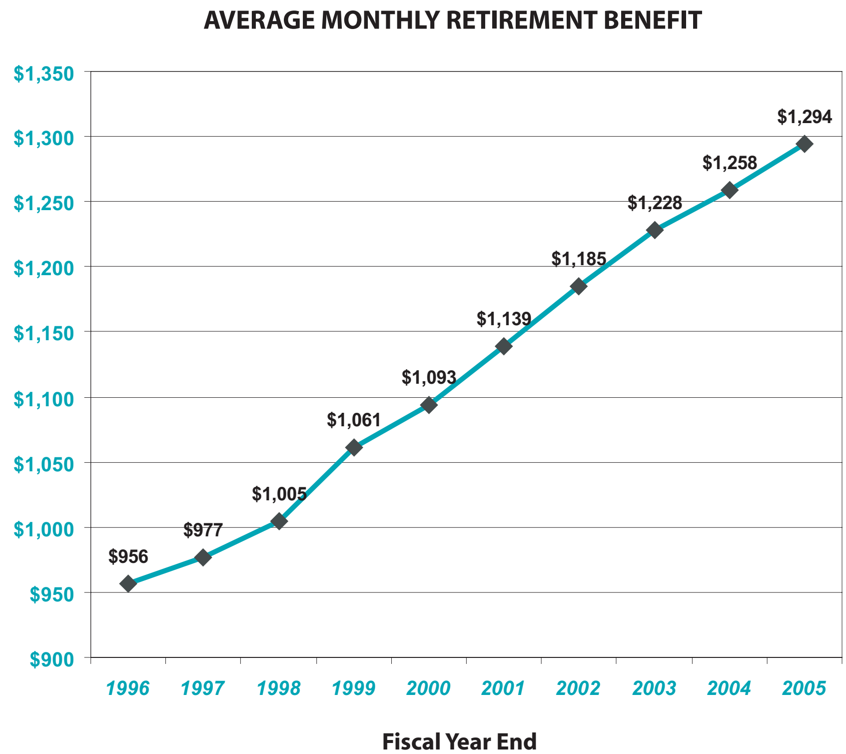
FINANCIAL HIGHLIGHTS

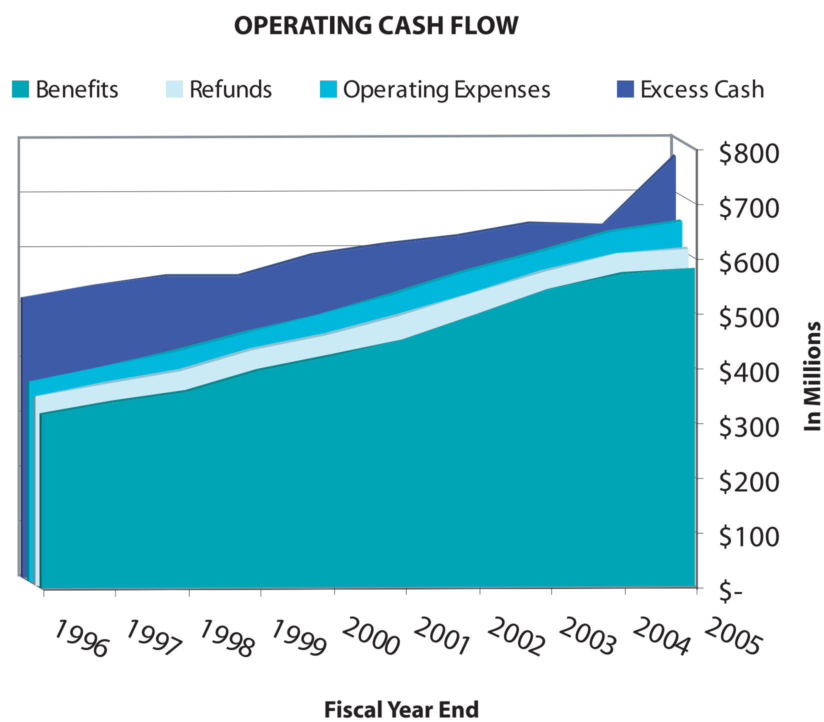
LASERS plan net assets held in trust for the payment of pension benefits at June 30, 2005, were $7,226,054,722, an increase of $618,066,393, or approximately 9.35%, from the prior year. All of the plan net assets are available to meet LASERS ongoing obligations to its members, retirees, and beneficiaries.

In 2005, LASERS total revenue (Additions to Plan Assets) for the fiscal year was $1,248,723,401; a decrease of 17.01% from 2004. While 2005 investment results again exceeded our portfolio target of 8.25%, investment earnings were below the rate of earnings for 2004 when financial markets made significant recovery. This resulted in a $345,721,654 decrease in net investment earnings in 2005, which was partially offset by an $89,783,391 increase in employer and employee contributions and miscellaneous income.

Expenses (Deductions in Plan Assets) for fiscal year 2005 were $630,657,008, an increase of $15,319,880, or approximately 2.49%, from fiscal year 2004. The increases were primarily due to total higher benefit payments resulting from the increases in the number of retirees and average retirement benefits.

For the fiscal year ended June 30, 2005, LASERS realized operating revenues of $785.4 million, and disbursed $665.9 million, including investment manager fees, for a net positive operating cash flow of $119.5 million. The increase in employers' contribution rates from 15.8% to 17.8% and member purchases of "air time" service credit contributed to the increase in operating cash flow.



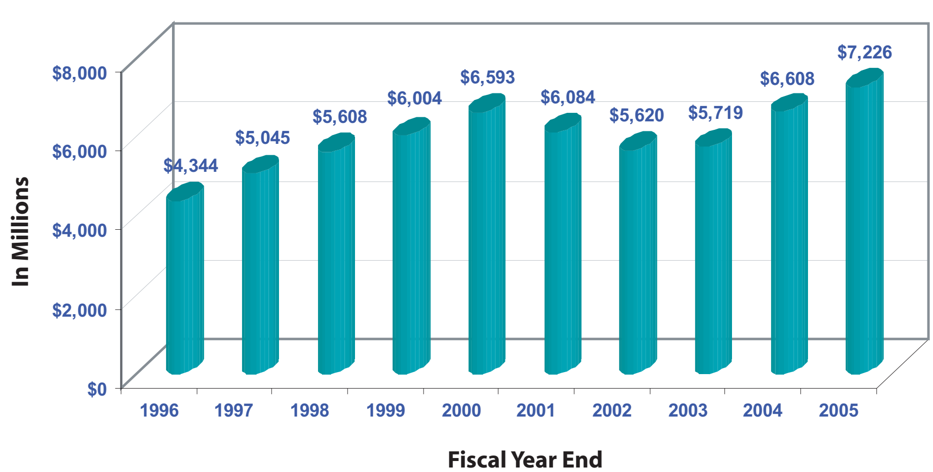


The *Statement of Plan Net Assets* shows LASERS assets and liabilities and the residual net assets that are held in trust for the payment of pension benefits. This statement is a snap shot at the end of the fiscal year of LASERS investments at market value, along with cash, receivables and other assets and liabilities.

CONDENSED STATEMENTS OF PLAN NET ASSETS
JUNE 30, 2005 AND 2004
(Amounts shown in thousands)

	2005	2004 (as restated)	$ Change	% Change
ASSETS				
Cash & Cash Equivalents, at fair value	$ 73,610	$ 48,822	$ 24,788	50.77%
Receivables	83,142	70,604	12,538	17.76%
Total Investments, at fair value	7,117,798	6,534,373	583,425	8.93%
Securities Lending Cash Collateral	3,254	565,175	(561,921)	(99.42%)
Invested Property and Equipment, net of depreciation	7,147	5,317	1,830	34.42%
Total Assets	**7,284,951**	**7,224,291**	**60,660**	**0.84%**
LIABILITIES				
Investments Commitments	46,711	41,408	5,303	12.81%
Payable Accounts and Other Accrued Liabilities	8,931	9,720	(789)	(8.12%)
Obligations Held Under Securities Lending Program	3,254	565,175	(561,921)	(99.42%)
Total Liabilities	**58,896**	**616,303**	**(557,407)**	**(90.44%)**
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	**$ 7,226,055**	**$ 6,607,988**	**$ 618,067**	**9.35%**

PLAN NET ASSETS
TEN YEARS ENDING JUNE 30, 2005



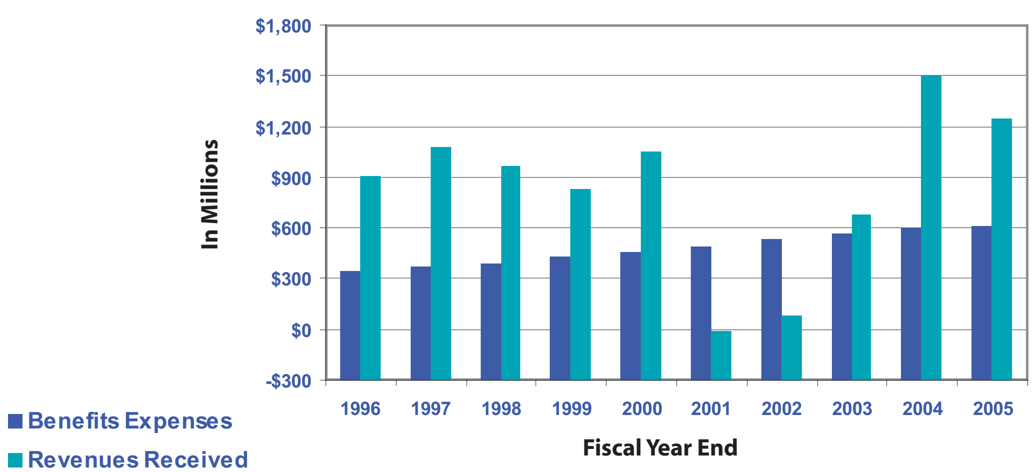
FINANCIAL HIGHLIGHTS (CONT.)

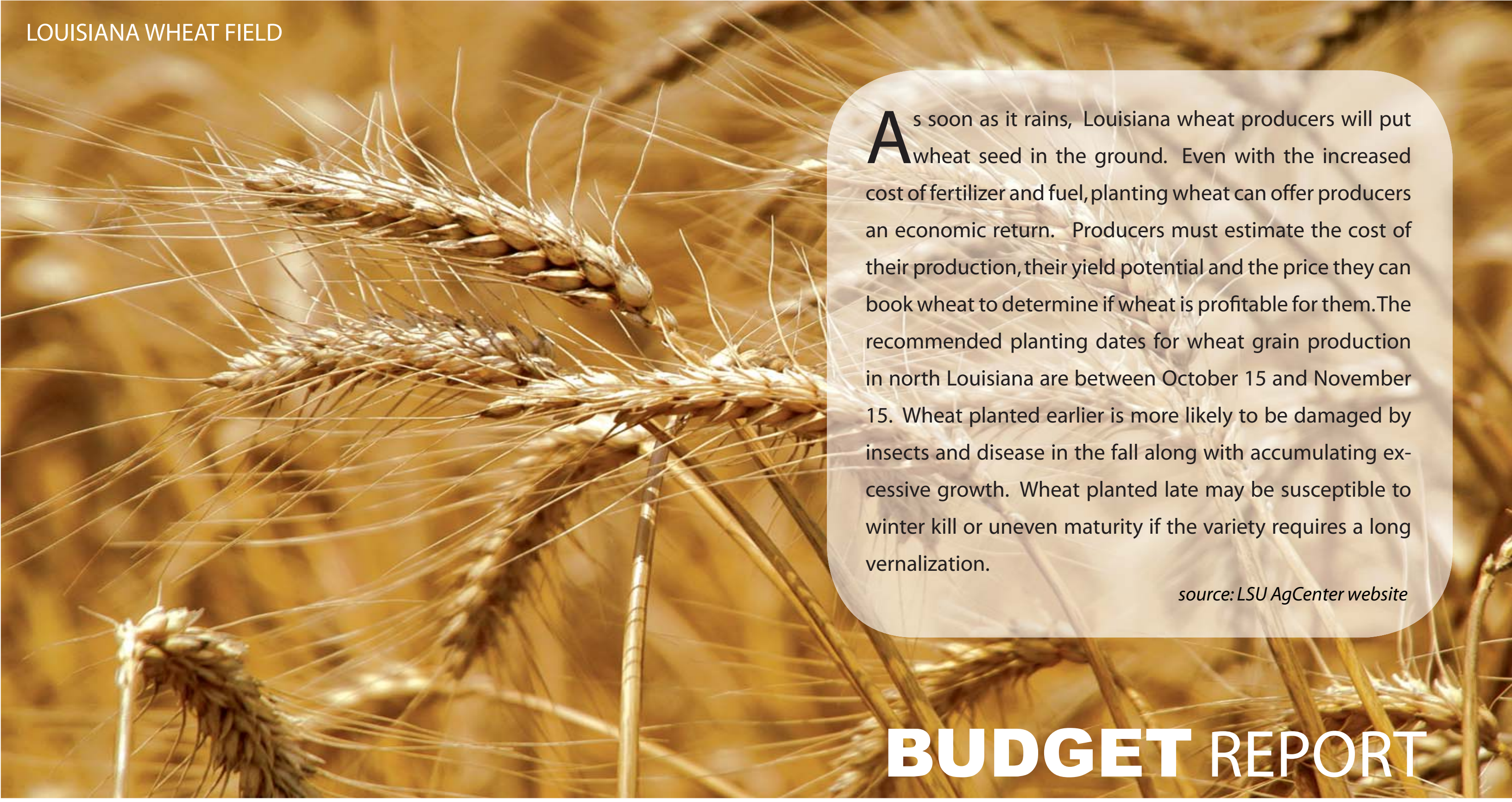
The *Statement of Changes in Plan Net Assets* indicates how LASERS net assets held in trust for pension benefits changed during the fiscal year. The information in this statement includes revenues from employer and member contributions and net investment earnings along with deductions from the Plan for the payment of retirement benefits, refunded contributions and administrative and other expenses.

CONDENSED STATEMENTS OF CHANGES IN PLAN NET ASSETS
JUNE 30, 2005 AND 2004
(Amounts shown in thousands)

	2005	2004 (as restated)	$ Change	% Change
ADDITIONS				
Employer Contributions	$ 391,870	$ 335,992	$ 55,878	16.63%
Member Contributions	169,144	163,277	5,867	3.59%
Net Investment Income	650,346	996,067	(345,721)	(34.71%)
Other Income	37,364	9,325	28,039	300.69%
Total Additions	**1,248,724**	**1,504,661**	**(255,937)**	**(17.01%)**
DEDUCTIONS				
Retirement Benefits	581,665	573,153	8,512	1.49%
Refunds of Member Contributions	30,358	28,760	1,598	5.56%
Administrative and Other Expenses	18,364	13,424	5,210	38.81%
Total Deductions	**630,657**	**615,337**	**15,320**	**2.49%**
NET INCREASE	**618,067**	**889,324**	**(271,257)**	**(30.50%)**
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS				
Beginning of Year	6,607,988	5,718,664	889,324	15.55%
END OF YEAR	**$ 7,226,055**	**$ 6,607,988**	**$ 618,067**	**9.35%**

SUMMARY OF REVENUES & BENEFITS/REFUND EXPENSES
TEN YEARS ENDING JUNE 30, 2005





LOUISIANA WHEAT FIELD

As soon as it rains, Louisiana wheat producers will put wheat seed in the ground. Even with the increased cost of fertilizer and fuel, planting wheat can offer producers an economic return. Producers must estimate the cost of their production, their yield potential and the price they can book wheat to determine if wheat is profitable for them. The recommended planting dates for wheat grain production in north Louisiana are between October 15 and November 15. Wheat planted earlier is more likely to be damaged by insects and disease in the fall along with accumulating excessive growth. Wheat planted late may be susceptible to winter kill or uneven maturity if the variety requires a long vernalization.

source: LSU AgCenter website

BUDGET REPORT

LASERS continues to enhance its budget program by optimizing the process and streamlining internal operations through better budget administration.

During the 2005 fiscal year, a new and more user-friendly budget system and process was developed. The system allows users to input proposed budgets and review detailed adjusted and final budgets online. Future budgets are enhanced by the carry forward of existing budgets with percentage changes at the division level, or with manual changes at the detail level. Current and prior period budget comparison reporting at the agency and division levels was greatly improved because of the new budget system.

Budget administration was further enhanced by the implementation of a consistent monthly review of budget versus actual expenses at the division level. This review helps to better manage the divisional budgets, identify needed adjustments and ensure that the agency remains within budget.

LASERS has made a concerted effort to control discretionary spending. These controllable costs have been reduced significantly for three consecutive fiscal years beginning with a 9% decrease for the fiscal year ended June 30, 2004. A 10% decrease in discretionary spending was budgeted for the 2005 fiscal year and a 5% decrease is budgeted for the 2006 fiscal year.

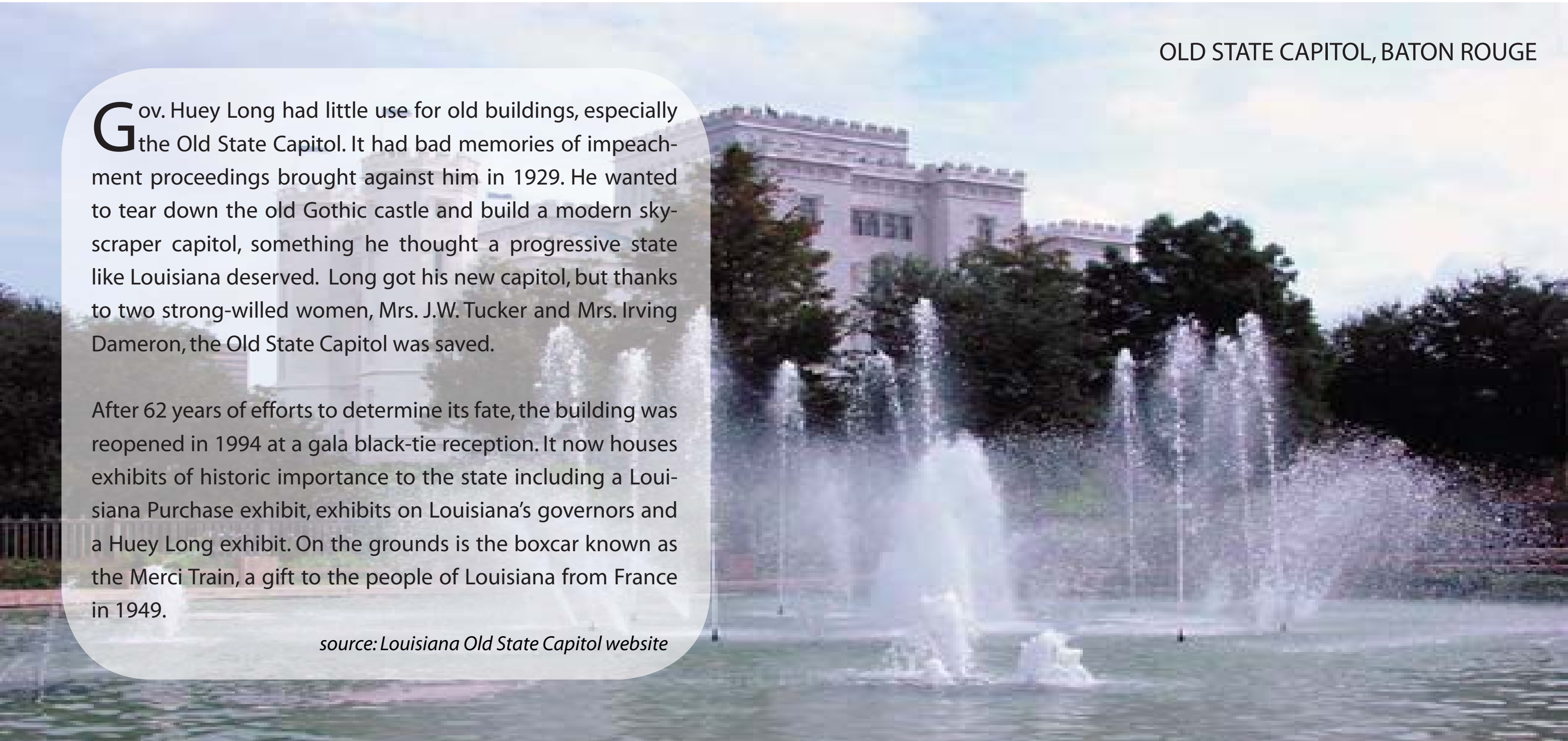
LASERS non-discretionary costs are governed by civil service/legal requirements and are monitored and adjusted whenever possible. Cost savings are realized by making technology improvements, revisiting contractual obligations, proposing legislation and bringing more functions in-house. This is especially true for investment activities although improvement has been experienced in all divisions.

The table below is a budget to actual summary of the agency's operating expenses for the past two fiscal years (in thousands). These expenses do not include expenditures for the SOLARIS project or investment manager fees.

OPERATING BUDGET VS. ACTUAL SUMMARY

	FYE 2005			FYE 2004		
OPERATING EXPENSES	**ACTUAL**	**BUDGET**	**VARIANCE**	**ACTUAL**	**BUDGET**	**VARIANCE**
Salaries & Related Benefits	$ 7,901	$ 8,564	$ 663	$ 7,261	$ 7,462	$ 201
Travel	168	268	100	164	336	172
Operating Services	2,519	2,889	370	2,437	2,962	525
Supplies	200	223	23	224	241	17
Professional Services	628	752	124	874	945	71
Acquisitions	774	775	1	392	445	53
TOTAL	**$12,190**	**$ 13,471**	**$ 1,281**	**$ 11,352**	**$ 12,391**	**$ 1,039**

OLD STATE CAPITOL, BATON ROUGE



Gov. Huey Long had little use for old buildings, especially the Old State Capitol. It had bad memories of impeachment proceedings brought against him in 1929. He wanted to tear down the old Gothic castle and build a modern skyscraper capitol, something he thought a progressive state like Louisiana deserved. Long got his new capitol, but thanks to two strong-willed women, Mrs. J.W. Tucker and Mrs. Irving Dameron, the Old State Capitol was saved.

After 62 years of efforts to determine its fate, the building was reopened in 1994 at a gala black-tie reception. It now houses exhibits of historic importance to the state including a Louisiana Purchase exhibit, exhibits on Louisiana's governors and a Huey Long exhibit. On the grounds is the boxcar known as the Merci Train, a gift to the people of Louisiana from France in 1949.

source: Louisiana Old State Capitol website

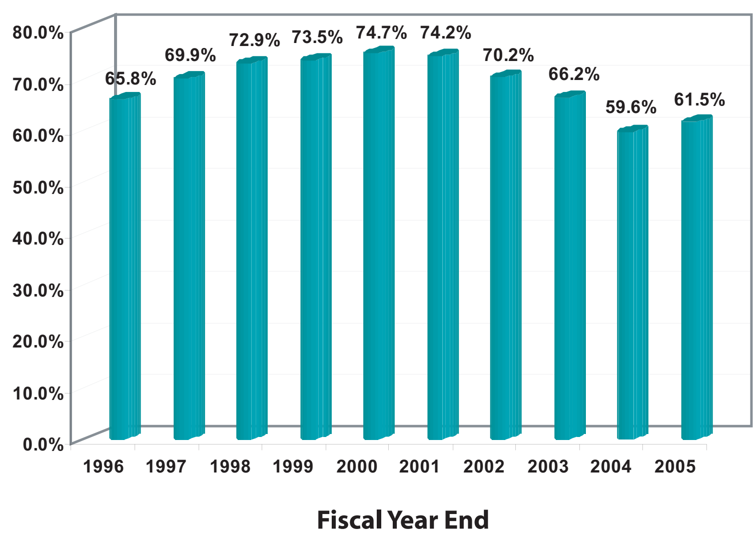
FUNDING/EXPERIENCE ACCOUNT UPDATE

ACTUARIAL FUNDING

- Actuarial funding - the ratio of pension plan assets available to fund the plan's actuarial accrued liabilities.
- Pension plan assets - the value of cash, investments, and other property belonging to a pension plan, as used by an actuary when doing an actuarial valuation.
- Actuarial accrued liabilities - the present value of total future benefits to be paid over the life expectancy of a pension plan recipient.
- Present value - the present day worth of pension benefits to be paid in the future.

The chart shown at right represents LASERS funded ratio of its actuarial accrued liabilities for the last ten fiscal years. On June 30, 2005, the actuarial value of LASERS plan assets were $6.67 billion and the actuarial accrued liability was $10.85 billion for an unfunded accrued liability of $4.18 billion and a funded ratio of 61.5%.

VALUATION ASSETS AS PERCENT OF PENSION LIABILITIES



EXPERIENCE ACCOUNT

LASERS Experience Account accumulates 50% of any investment return above the target return of 8.25% and is used to fund cost of living adjustments (COLAs) for retirees. Act 588 of the 2004 Louisiana Legislature reset LASERS Experience Account balance to zero effective July 1, 2004, and restricted the reserve in the account to no more than the amount needed to fund two COLAs. The balance of the Experience Account at June 30, 2005, was $105,289,193. Because of the continued positive investment returns, LASERS is in a position to recommend the Legislature grant a COLA next year.

SUGARCANE HARVEST

photo courtesy John Wozniak, LSU AgCenter

Of the domestic sugar industries, Louisiana has the oldest and most historic. Sugarcane arrived in Louisiana with the Jesuit priests in 1751 and in 1795, Etienne deBore granulated sugar on a commercial scale at Audubon Park in New Orleans. The Louisiana sugarcane industry is in its third century of existence, having celebrated its 200th year of continuous sugar production in 1995. Sugarcane is produced on more than 450,000 acres of land in 25 of the 64 Louisiana parishes. In 1999, total production of 15,982,000 tons of sugarcane yielded 1,675,000 tons of sugar. Growers averaged 37 tons of sugarcane and 7,800 pounds of sugar per acre, both new state records. Sugarcane ranks first in the state among plant commodities, which also include rice, soybeans, corn and cotton. Louisiana produces about 16 percent of the total sugar grown in the United States (includes both sugar from sugar beet and sugarcane).

source: LSU AGCenter website

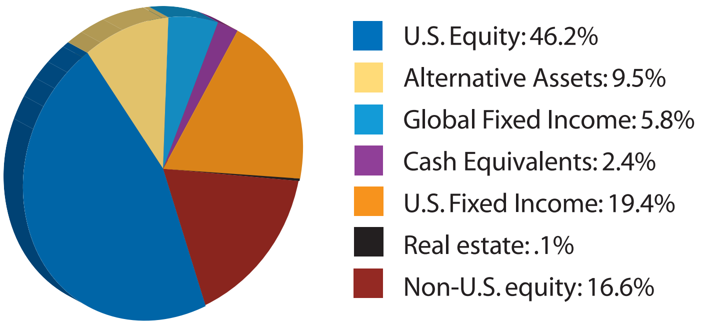
INVESTMENT REPORT

Asset allocation is an investment strategy designed to minimize risk and maximize return under any market condition. In the short-term, capital markets can be incorrectly priced. It follows that if you have diversification (investments in several different stocks and bonds), your risk will be decreased. Other asset allocation considerations include the following:

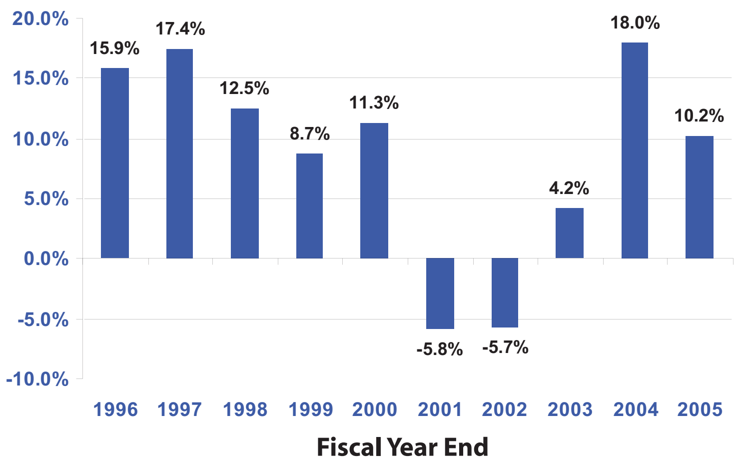
- Legislative restraints of asset classes and weighting constraints;
- The outlook and growth rates predicted for the different investments available; and
- Correlation, or the related movement, of two different types of assets: A correlation of -1.0 = low similarity, and +1.0 = high similarity.

LASERS maintains a broadly diversified portfolio that achieved a 10.2% return exceeding the nominal target rate of return of 9.35% (8.25% actuarially required rate plus 1.10% targeted excess return) with minimal risk for the fiscal year ending June 30, 2005. The following is LASERS asset allocation as of June 30, 2005 fiscal year end:

LASERS ACTUAL ASSET ALLOCATION



INVESTMENT RATES OF RETURN



The chart above shows LASERS investment rates of return for the past ten fiscal years.

Fees are paid to external investment managers to manage the assets of the fund. These fees are usually calculated based on a percentage of the market value of assets under management. The annual cost of fees range from 0.10% to 2% of the total market value of the funds. The more complex and risky the strategy, the higher the fees charged.

LASERS manages approximately $7.1 billion in assets and utilizes trained internal staff and resources to manage $2.2 billion in low-cost index funds. The internal management of investment assets has resulted in annual savings of $6.5 million versus the external management alternative. This savings was used to pay higher fees on an asset class called "alternatives." The overall allocation to alternatives was increased by 2% to enhance returns and reduce overall portfolio risk due to their low correlation to other asset classes.

Cultivation of cotton in Louisiana was reported as early as 1729. At that time, cotton fiber was used in home spinning and weaving. It was not until the invention of the cotton gin in 1793 by Eli Whitney that cotton was produced in Louisiana as a cash crop, primarily for export to Europe. By 1860, the United States was producing 75 percent of the world's cotton. Between 1870 and 1920, cotton was grown on as many as 48 million acres and was the only major cash crop in the South. This quickly changed with the arrival of the boll weevil from Mexico in the 1890s. The boll weevil became the most devastating insect in the history of agriculture, forcing thousands of farmers out of the cotton business and serving as the primary impetus for the diversification of Southern agriculture, the development of the chemical insecticide industry and the aerial pesticide application industry.

source: LSU AGCenter website

LOUISIANA COTTON FIELD

SOLARIS UPDATE

LASERS is implementing a new software system that will provide a stable, fully integrated solution capable of supporting LASERS mission well into the 21st century. In support of the overall system implementation effort, LASERS reevaluated all of its core business operations and set the stage for continuous process improvement for many years to come. The expected results will include both tangible benefits, such as annual expense savings, and intangible benefits, such as enhanced customer service capabilities. The new system has been named the State of Louisiana Retirement Information System (SOLARIS).

The high level functionality of SOLARIS will include the following:

- Core pension administration, retiree payroll, and accounting functions;

- Improved support for LASERS to better perform all of its pension-related operations, such as wage and contribution reporting, generating benefit estimates, issuing refunds, calculating the cost of purchased service, retirement processing, payroll tax processing, 1099 processing, and production of member annual statements; and

- Access to employing agencies to LASERS information for their members and implementation of full, web-enabled employer reporting capabilities.

Additional objectives to be served by this project include:

- Improved service levels to members and retirees;

- Improved system work flows and increased work efficiency for LASERS staff;

- Increased and improved web-based, self-service functions to members and retirees;

- Improved accuracy of all information collected, maintained, and provided by LASERS;

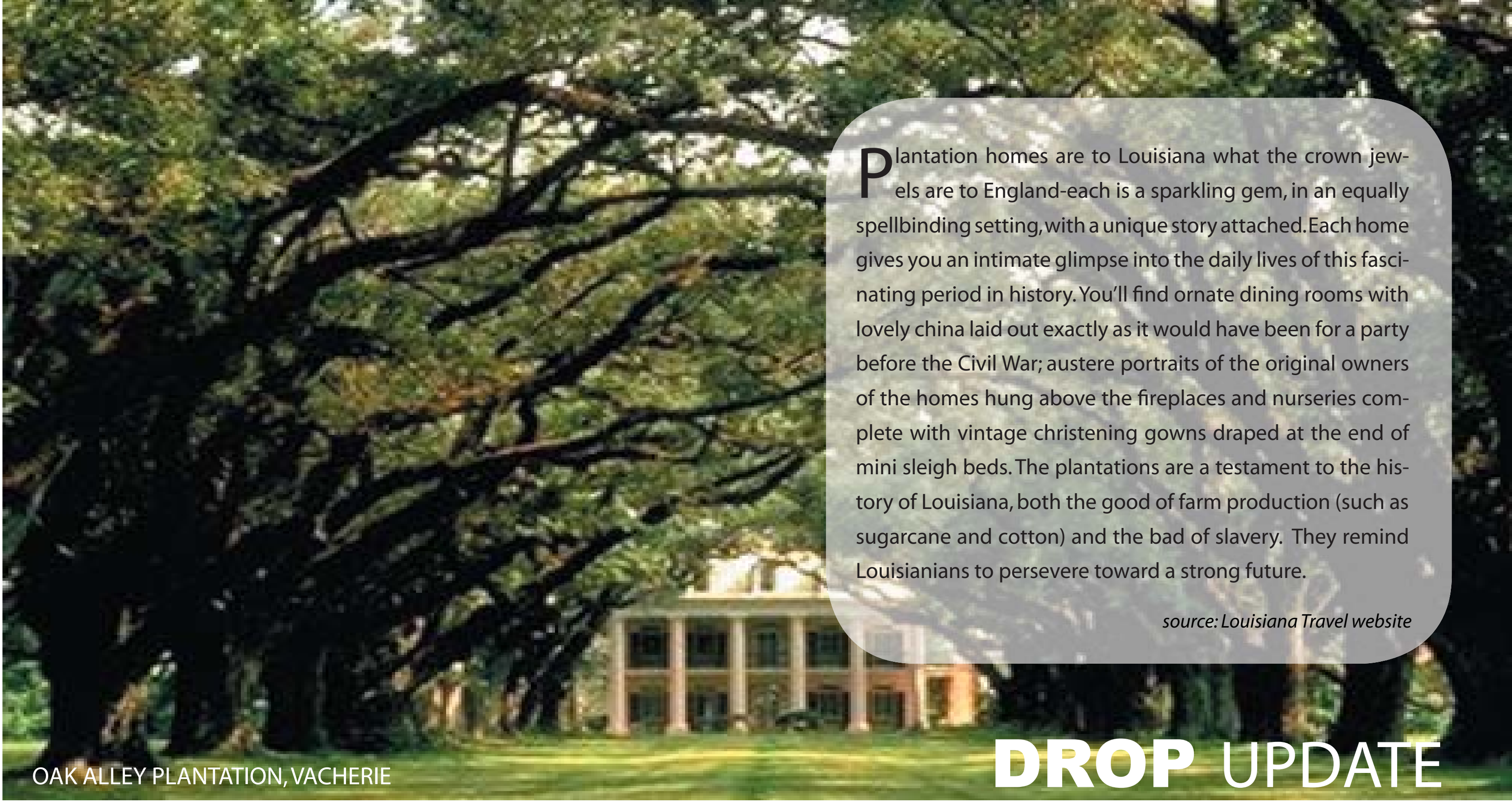
- Improved timeliness and accuracy of responses to member and retiree inquiries; and

- Enhanced ability to work with new and future technologies that can provide cost-effective benefits to LASERS members, retirees, agencies, and staff.

Expenditures related to the SOLARIS project and the post-implementation/operation stages are expensed as incurred. Certain costs of the application development stage may be capitalized. The project cost summary (in thousands) is as follows:

PROJECT SUMMARY

	CAPITALIZED	NON-CAPITALIZED	TOTAL
Approved Budget			$28,840
FYE 2004 Costs	$0	$1,697	1,697
FYE 2005 Costs	1,417	4,886	6,303
Costs through June 30, 2005	$1,417	$6,583	8,000
Remaining Budget			$20,840



Plantation homes are to Louisiana what the crown jewels are to England-each is a sparkling gem, in an equally spellbinding setting, with a unique story attached. Each home gives you an intimate glimpse into the daily lives of this fascinating period in history. You'll find ornate dining rooms with lovely china laid out exactly as it would have been for a party before the Civil War; austere portraits of the original owners of the homes hung above the fireplaces and nurseries complete with vintage christening gowns draped at the end of mini sleigh beds. The plantations are a testament to the history of Louisiana, both the good of farm production (such as sugarcane and cotton) and the bad of slavery. They remind Louisianians to persevere toward a strong future.

source: Louisiana Travel website

OAK ALLEY PLANTATION, VACHERIE

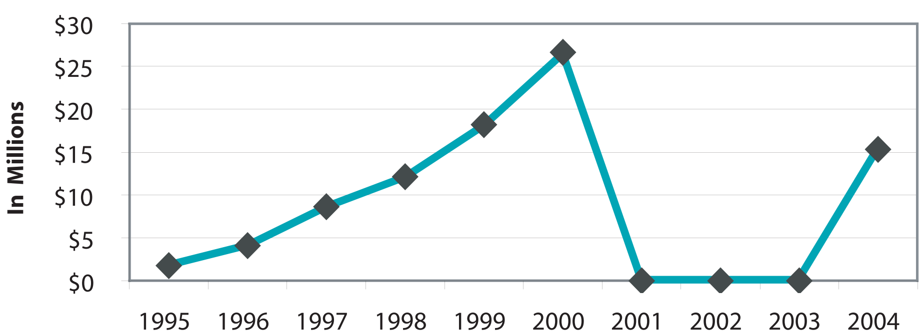
DROP UPDATE

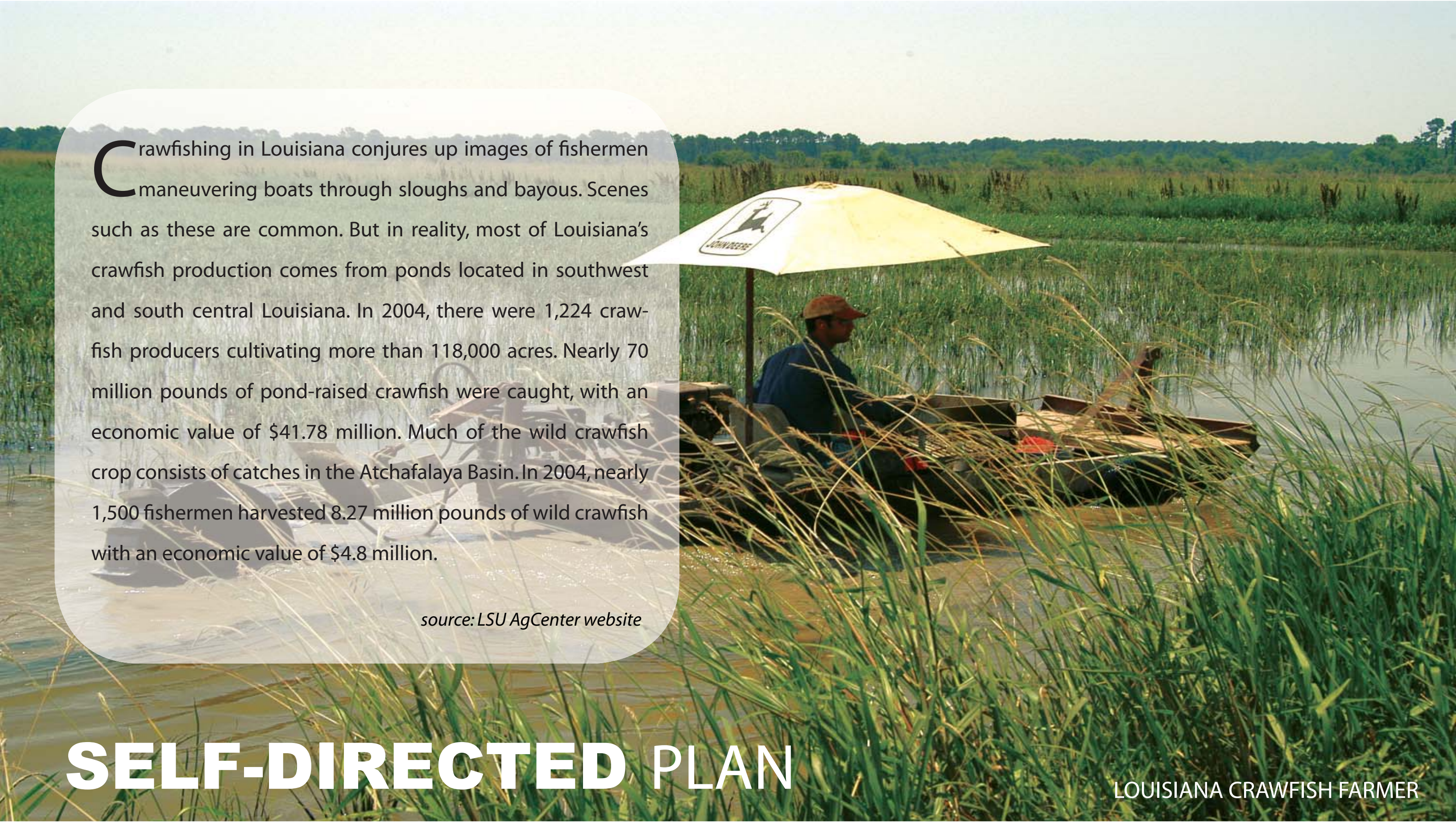
In January 2005, the Public Retirement Systems' Actuarial Committee (PRSAC) made an official decision to credit DROP interest at the rate of 5.56% on LASERS eligible DROP accounts for the fiscal year ended June 30, 2004. In response to PRSAC's decision, LASERS credited DROP interest totaling $15,325,385 during fiscal year 2005. Prior to this, the last DROP interest deposited to eligible DROP accounts occurred at the end of fiscal year 2000.

Members' DROP accounts were credited with interest for each month of the 2004 fiscal year, based on the balance in the account at the end of each month. DROP participants are not eligible to earn interest on their DROP balances during their accrual period. To earn DROP interest, members must have had a DROP account with LASERS that was in the investment period, not the participation period, during some or all of fiscal year 2004. Members who moved their DROP balances to the Self-Directed Plan during the 2004 fiscal year were still credited with interest for the time that their account was with LASERS and in the investment period.

The following chart reflects the total amount of DROP interest credited for the past 10 fiscal years.

DROP INTEREST PAYMENTS





Crawfishing in Louisiana conjures up images of fishermen maneuvering boats through sloughs and bayous. Scenes such as these are common. But in reality, most of Louisiana's crawfish production comes from ponds located in southwest and south central Louisiana. In 2004, there were 1,224 crawfish producers cultivating more than 118,000 acres. Nearly 70 million pounds of pond-raised crawfish were caught, with an economic value of $41.78 million. Much of the wild crawfish crop consists of catches in the Atchafalaya Basin. In 2004, nearly 1,500 fishermen harvested 8.27 million pounds of wild crawfish with an economic value of $4.8 million.

source: LSU AgCenter website

LOUISIANA CRAWFISH FARMER

SELF-DIRECTED PLAN

LASERS Self-Directed Plan (SDP), a 401(a) retirement plan, was established effective January 1, 2004, for the benefit of LASERS members who had completed their DROP accumulation periods, or who were retiring and had selected the Initial Benefit Option (IBO). The SDP allows participants to transfer DROP and IBO funds to a third party provider under contract with LASERS, Great-West Retirement Services (Great-West), while retaining their tax-deferred status. SDP participants manage their own retirement funds by making investment decisions based on a variety of fixed and variable investment options offered by Great-West.

At its inception, participation in the SDP was an irrevocable election for:

- Members whose DROP start date was prior to January 1, 2004;
- Members who retired and selected the IBO prior to January 1, 2004;
- Members who were eligible for regular retirement before January 1, 2004, continued to work, and later entered DROP within the 3-year 60-day window, or took the IBO; or
- Spousal beneficiaries of DROP/IBO members.

However, after January 1, 2004, any LASERS member who becomes eligible for retirement and enters DROP, or takes the IBO, is required to enter the SDP. LASERS members entering DROP must complete the accumulation period or terminate employment before transferring funds to the SDP.

The SDP has experienced tremendous growth since it was first established with the number of participants increasing from 367 members on June 30, 2004, to 618 members on June 30, 2005. The net assets of the SDP also grew during the fiscal year ended June 30, 2005, from a market value of $26,427,529 to $40,318,409, with a net increase of $13,890,880 representing a growth of 52.6%. The net increase in plan assets was the result of:

Transfers (Contributions) from LASERS to Great West	$20,022,560
Interest income	1,090,824
Unrealized gains/(losses)	565,013
Withdrawals	(7,787,517)
Net increase in SDP assets	**$13,890,880**

For additional information on LASERS SDP, visit the Great-West Retirement Services website at www.LouisianaDCP.com, or call toll-free at 800-937-7604.

CONTRIBUTION RATES

The Public Retirement System's Actuarial Committee has increased LASERS employer contribution rate from 17.8% to 19.1% of earned compensation for fiscal year 2005-2006. The new rate was effective July 1, 2005, and should be used to calculate the employer's contribution to LASERS with the first paycheck issued in July 2005. Employee and employer contribution rates by membership classification are presented below:

CONTRIBUTION RATES FOR FISCAL YEAR 2005-2006

MEMBERSHIP CLASSIFICATION	EMPLOYEE CONTRIBUTION RATE	EMPLOYER CONTRIBUTION RATE
Regular State Employees	7.5 %	19.1%
Department of Corrections	Admin Staff = 7.5% Corrections Officers = 9.0%	19.1%
Department of Wildlife & Fisheries	Admin Staff = 7.5% Enforcement Agents = 9.5%	19.1%
Bridge Police Employees for the Crescent City Connection (DOTD)	8.5 %	19.1%
Members of the Legislature, Governor and Lt. Governor	11.5%	19.1%
State Treasurer	7.5%	19.1%
Clerk of the House of Representatives, Secretary of State and Sergeants-at-Arms of the House and Senate	9.5%	19.1%
Judges and Court Officers	11.5%	19.1%
Optional Retirement Plan	7.5%	19.1%

FOR YOUR INFORMATION

LASERS is a defined benefit plan under Section 401(a) of the Internal Revenue Code. It was established by act of the Louisiana Legislature in 1946 with the first members joining the system July 1, 1947.

Basic retirement eligibility requirements are:

- 30 years of service at any age;
- 25 years of service at age 55;
- 10 years of service at age 60; or
- 20 years of service at any age, with an actuarially reduced benefit.

There are different contribution rates and retirement eligibility requirements for certain groups of employees. These are further defined on our website and in our Membership Handbook.

LASERS Popular Annual Financial Report (PAFR) entitled "Summary Annual Report" is designed to present information regarding the financial condition of LASERS in a reader-friendly format and condenses and simplifies our 2005 Comprehensive Annual Financial Report (CAFR). The PAFR is intended to be a supplement to the CAFR and not a replacement. The financial information contained in the CAFR conforms to Generally Accepted Accounting Principles (GAAP). The PAFR contains financial information taken from the CAFR but is presented in a non-GAAP format for ease of understanding.

Our 2005 CAFR has been prepared in accordance with the guidelines provided by the Government Finance Officers Association's (GFOA) Certificate of Achievement in Financial Reporting and submitted to the GFOA for review. A complete copy of the CAFR can be reviewed at any Louisiana parish library, the Louisiana State Library in Baton Rouge, or may be purchased at our cost by contacting our office.

For additional detailed information on the above topics, answers to frequently asked questions and access to LASERS annual independent auditor's report, please check the LASERS website at www.lasersonline.org. LASERS automated information line at 1-800-830-0337 is also available 24 hours a day.

LASERS

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photos courtesy LSU AgCenter, the Louisiana Farm Bureau and the Louisiana Office of Culture, Recreation and Tourism, except where noted

COSTSTATEMENT

Ten thousand copies of this document were published with non-public trust funds at a total cost of $7,200.00 or about .73 cents per copy. This document was published by the Louisiana State Employees' Retirement System (LASERS) to disseminate plan benefit information to members and retirees.