



September 24, 2010

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, 2010.

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.

Board of Trustees  
**LASERS**  
 September 24, 2010

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

	<b>June 30, 2010</b>	<b>----- Prior Years -----</b>	
		<b>June 30, 2009</b>	<b>June 30, 2008</b>
I. Membership Census			
1) Retirees	39,385	38,253	37,575
2) Actives	58,881	61,991	61,780
3) DROP	2,629	2,683	2,643
4) Terminated Vested	1,981	1,947	1,824
II. Annual Benefits	\$774,119,808	\$729,823,884 <sup>1</sup>	\$702,667,680 <sup>2</sup>
III. Total Payroll	2,546,456,790	2,562,575,942	2,436,955,566
IV. Valuation Assets	8,512,402,951	8,292,849,439	9,089,098,665
V. Experience Account	0	0	140,698,470
VI. Investment Yield			
Market Value (Total Assets)	16.24%	-19.55%	-3.83%
Market Value (Excluding Self Directed)	16.68%	-19.95%	-3.91%
Actuarial Value	2.21%	-7.64%	8.49%
DROP	1.71%	0.00%	7.99%
VII. Total Normal Cost	393,664,176	384,065,332	387,377,104
Total Normal Cost (% of Payroll)	15.46%	14.99%	15.90%
Employer Normal Cost (% of Payroll)	6.98%	6.56%	7.31%
VIII. Unfunded Actuarial Accrued Liability	6,251,611,737	5,693,997,872	4,473,114,859
IX. Funded Percentage	57.7%	59.3%	67.0%
X. Funding Requirements (Mid-year payment)			
1) Employee Contribution	205,103,151	204,633,489	196,384,754
Rate	7.816%	7.742%	7.807%
2) Employer Contribution	658,505,373	563,175,836	464,889,926
Plus Peace Officer appropriation <sup>3</sup>	317,366	317,366	317,366
Plus Alc/Tob Control appropriation <sup>3</sup>	81,868	81,868	227,355
Rate (Current Year)	25.1%	21.3%	18.5%
3) Projected Employer Contribution	697,343,371	597,076,408	480,279,775
Plus Peace Officer appropriation <sup>3</sup>	317,366	317,366	317,366
Plus Alc/Tob Control appropriation <sup>3</sup>	81,868	81,868	227,355
Composite Rate (Next Year) <sup>4</sup>	25.9%	22.0%	18.6%

The above funding requirements measure the cost of benefits that were in effect on June 30, 2010, and Acts of the 2010 Regular Legislative Session.

<sup>1</sup> Includes the July 1, 2009 Minimum Benefit Increase, per Act 144 of 2009

<sup>2</sup> Includes the July 1, 2008 Cost of Living Adjustment

<sup>3</sup> Peace Officers appropriation is per Act 414 of 2007. Alcohol/Tobacco appropriation is per Act 740 of 2008.

<sup>4</sup> This reflects the composite rate for all plans. See page 7 for employer rate applicable to each plan, per Act 1026 of 2010.

Board of Trustees  
**LASERS**  
 September 24, 2010

### **Current Funding**

The Actuarial Valuation for the plan year ending June 30, 2010, 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. Act 497 of the 2009 Legislative Session revised the amortization of the initial UAL and other schedules, as described on page 4 of this report.

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, 2009		\$ 5,693,997,872
INCREASES		
Interest on Unfunded Liability	\$469,754,824	
Employer Shortfall Deficit	74,727,281	
Investment Loss	494,683,724	
Experience Loss <sup>1</sup>	136,315,059	
Act 992 Benefit Increase	5,036,841	
Total Increases	1,180,517,729	
DECREASES		
Employer Amortization Payment	406,412,045	
IUAL Primary Account Distribution	91,484,360	
IUAL Sub-Account Distribution	125,007,459	
Total Decreases	622,903,864	
Unfunded Liability - June 30, 2010		\$ 6,251,611,737

<sup>1</sup> Reflects experience other than investment experience.

Board of Trustees  
**LASERS**  
September 24, 2010

The employer contribution rate established by the Public Retirement Systems' Actuarial Committee for the 2010/11 plan year is 22.0%. The actual employer contribution rate determined by this valuation for the current plan year is 25.1%. The current employer contribution of 22.0% rate is less than the required employer contribution rate of 25.1%. Therefore, an employer contribution deficit of 3.1% is expected 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 992 of 2010 provides for the creation of three new plans for LASERS, effective January 1, 2011, for all members hired after the effective date: Rank and File, Judges, and Hazardous Duty. The Act provides for a change in retirement eligibility for Rank and File Act 75 members from 10 years of service at age 60 to 5 years of service at age 60, which increased the accrued liability. The resulting increase in accrued liability has been established and will be amortized with level payments over a ten year period.

Act 1026 of 2010 provides that effective for the June 30, 2010 system valuation and beginning fiscal year 2011-2012, employer contributions shall be individually determined for each plan based on the normal cost for each plan. The total UAL payment for the system will be allocated as a constant percentage of payroll for all plans, except that liability established for benefit increases for a specific plan will be allocated entirely to that plan.

Act 497 of 2009 provides that effective July 1, 2010, all LASERS amortization payment schedules established on or before July 1, 2008, except those established due to an increase in benefits for Peace Officers, Alcohol Tobacco Control employees and regular employees per Act 262 of 2008, will be consolidated into two amortization schedules, the Original Amortization Base (OAB) and the Experience Account Amortization Base (EAAB). The OAB will consist of the outstanding balance of the Initial Unfunded Accrued Liability and schedules with negative outstanding balances. The outstanding balance of this schedule will be credited with funds from the Initial UAL fund. The Initial UAL fund will be credited interest at 8.25% in fiscal year 2008/2009 and 2009/2010. The OAB payment schedule will increase by six and one-half percent for one year, five and one-half percent for four years, five percent for two years, and then two percent until paid off in fiscal year 2028/2029. The EAAB will consist of the 2004 schedule and all remaining schedules. The outstanding balance of this schedule will be credited with funds from the Initial UAL subaccount, which were transferred from the Employee Experience Account on June 30, 2009. The EAAB payment schedule will increase by six and one-half percent for one year, five and one-half percent for four years, five percent for two years, then will be level until paid off in fiscal year 2039/2040.

Board of Trustees  
**LASERS**  
 September 24, 2010

Act 497 requires that the amortization of contribution variances will also be revised. Previously, any contribution variance relative to the actuarially required contribution was amortized with level payments for five years. The act specifies that any overpayment through fiscal year 2016/2017 will be credited to the OAB. The OAB will then be re-amortized according to the new payment schedule. Similarly, any overpayment resulting from the statutory minimum contribution of 15.5% exceeding the actuarially calculated contribution through 2016/2017 will be credited to the EAAB and the EAAB will be re-amortized. In addition, the Act changes the provisions for crediting the Employee Experience Account and for granting future permanent benefit increases. The first \$50,000,000 of investment gain above the actuarially assumed investment rate will be used to reduce and re-amortize the OAB. The next \$50,000,000 of excess investment return will be used to reduce and re-amortize the EAAB. Fifty percent of any excess return above \$100,000,000 will be credited to the Employee Experience Account.

### **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 14, 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. The fund also includes legislative appropriations resulting from Act 642 of 2006 and Act 7 of the Second Extraordinary Session of 2008. As indicated above, Act 497 of 2009 specifies that funds in this account will be liquidated July 1, 2010, and used to reduce the initial outstanding balance of the Original Amortization Base, and requires that the account be credited interest at the assumed actuarial rate of return of 8.25% for fiscal year 2008/2009 and 2009/2010. The Act further required that the Employee Experience Account balance be transferred to a subaccount of this side-fund, and that the funds be liquidated July 1, 2010, and used to reduce the initial outstanding balance of the Experience Account Amortization Base. The current account balance and allocation is as follows:

Texaco Settlement Fund	\$ 47,982,102
2006 Legislative Appropriation	19,745,831
2008 Legislative Appropriation	23,756,427
<u>Sub-Total</u>	<u>91,484,360</u>
Sub-Account from Employee Experience Account	125,007,459
<u>Total IUAL Amortization Fund</u>	<u>\$ 216,491,819</u>
Disbursement to reduce and reamortize OAB and EAAB	\$ (216,491,819)
Current Balance of IUAL Amortization Fund	\$ -

Board of Trustees  
**LASERS**  
 September 24, 2010

- **Experience Account Fund:** The fund accumulates 50% of the excess investment gain relative to the actuarial valuation rate of 8.25% after such excess return exceeds \$100,000,000. The account is used to fund permanent benefit increases for retirees. The benefit increase granted must be funded at 100% of the actuarial cost. The account balance is restricted to the reserve for two permanent benefit increases. The current account balance is \$0.
- **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>2008</u>	<u>2009</u>	<u>2010</u>	<u>5 Yr. Avg.</u>	<u>10 Yr. Avg.</u>	<u>20 Yr. Avg.</u>
8.49%	-7.64%	2.21%	5.73%	3.77%	7.54%

The net actuarial rate of return assumed in the valuation is 8.25%. The net realized actuarial rate of return for the plan year ending June 30, 2010, was less than the long-term investment assumption used to project benefits. The result was a net investment experience loss of \$494,683,724 below 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 2009/10 plan year, the system incurred a \$136,315,059 experience loss from sources other than investments.

### **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 2005 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 unfunded liability. The employer contribution rate cannot drop below 12%, without regard to employer credits, and without a corresponding adjustment to the employee contribution rate. Prior to July 1, 2010, payments to fund the IUAL increase 4.5% annually. Subsequent changes to the UAL are amortized as an increasing (I) or level dollar (L) payment, as indicated in Exhibit A-1. Beginning July 1, 2010, payments to amortize the Original Amortization Base and Experience Account Amortization Base will increase as shown in the following table.

Board of Trustees  
**LASERS**  
 September 24, 2010

Fiscal Year	Original Amortization Base	Experience Account Amortization Base
2011/2012	6.5%	6.5%
2012/2013 – 2015/2016	5.5%	5.5%
2016/2017 – 2017/2018	5.0%	5.0%
2018/2019 +	2.0%	Level Payments

If aggregate payroll increases at the same rate as the increase in amortization payments, this would allow the employer contribution rate attributable to the amortization payments to maintain a level percentage of payroll. During the last 10 years the aggregate salaries from all sources has increased at an annualized rate of 3.4%. If the trend continues at the average rate, the percentage of pay required to amortize the unfunded liability can be expected to increase through fiscal year 2017/2018 in the absence of other experience gains or losses.

### **Distribution of Cost and Liabilities**

The aggregate funding for the Plan appears in Exhibit 1. Act 1026 of the 2010 Legislative Session requires that the employer contribution rate be determined separately for each of the following plans. The normal cost portion of each plan's employer contribution rate varies based upon that plan's benefits, member demographics, and the rate contributed by employees. The shared UAL contribution rate is determined in aggregate for all plans. The plan specific UAL contribution rate is based upon UAL changes that are specific to a single plan or group of plans due to legislation.

Plan	Total NC		Employer	Shared	Plan	Total Employer Contribution %
	% (A)	Employee NC % (B)	NC % (A)-(B)	UAL %	Specific UAL %	
a) Rank and File	14.3%	7.6%	6.7%	18.9%	0.04%	<b>25.6%</b>
b) Judges/Ct Officers/Law Clerks	22.4%	10.8%	11.6%	18.9%	0.0%	<b>30.5%</b>
c) Legislators	27.0%	11.5%	15.5%	18.9%	0.0%	<b>34.3%</b>
d) Corrections - Primary	21.0%	9.0%	12.0%	18.9%	0.0%	<b>30.9%</b>
e) Corrections - Secondary	16.5%	9.0%	7.5%	18.9%	0.0%	<b>26.4%</b>
f) Wildlife	25.4%	8.8%	16.6%	18.9%	0.0%	<b>35.5%</b>
g) Peace Officers	18.5%	9.0%	9.5%	18.9%	0.0%	<b>28.4%</b>
h) Alcohol Tobacco Control	16.2%	9.0%	7.2%	18.9%	0.0%	<b>26.1%</b>
i) Bridge Police	11.0%	8.5%	2.5%	18.9%	0.0%	<b>21.4%</b>
j) Judges (Act 992)	14.3%	13.0%	1.3%	18.9%	0.0%	<b>20.2%</b>
k) Hazardous Duty (Act 992)	13.7%	9.5%	4.2%	18.9%	0.0%	<b>23.1%</b>
<b>Total LASERS Plans</b>	<b>14.8%</b>	<b>7.8%</b>	<b>7.0%</b>	<b>18.9%</b>	<b>0.04%</b>	<b>25.9%</b>

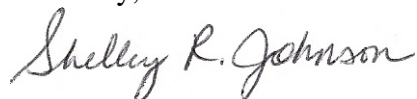
Board of Trustees  
**LASERS**  
September 24, 2010

**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



---

**TABLE OF CONTENTS**

		<u>Pages</u>
<b>EXHIBIT 1</b>	<b>DEVELOPMENT OF COSTS, LIABILITIES &amp; CONTRIBUTIONS</b> Provides a detail by benefit type of the cost to accrue annual pension benefits, liabilities accrued to date, and funding requirements	<b>10 - 11</b>
<b>EXHIBIT 2</b>	<b>FINANCIAL SUMMARY</b> Contains the statement of revenue and expenses as well as assets available to pay pension benefits	<b>12 - 14</b>
<b>EXHIBIT 3</b>	<b>PENSION ACCOUNTING AND FINANCIAL DISCLOSURE</b> Disclosures and statistical tables in accordance with GASB Statement No. 25	<b>15 - 17</b>
<b>EXHIBIT 4</b>	<b>CENSUS DATA</b> Describes the employee data, data processing for valuation purposes and depicts employee profiles by classification, age and service	<b>18 - 38</b>
<b>EXHIBIT 5</b>	<b>PRINCIPLE PROVISIONS OF THE RETIREMENT SYSTEM</b> Restates in summary outline form the basic plan provisions which are incorporated in the projected retirement pension benefit	<b>39 - 47</b>
<b>EXHIBIT 6</b>	<b>ACTUARIAL COST METHODS AND ASSUMPTIONS</b> Discloses rates of mortality, disability, retirement, termination and other assumptions which are presumed to reflect the experience of the retirement system in aggregate	<b>48 - 54</b>
<b>EXHIBIT A</b>	<b>AMORTIZATION SCHEDULES</b> Exhibit A-1 – June 20, 2010 Exhibit A-2 – June 20, 2011 - Projected	<b>55 - 56</b>

**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, 2010</u>		<u>---- Prior Year ---- June 30, 2009</u>	
	<b>Dollar Amount</b>	<b>% of Salary</b>	<b>Dollar Amount</b>	<b>% of Salary</b>
I. Normal Costs				
(to fund annual pension accruals)				
Active Members with Complete Data				
a) Retirement Benefits	298,295,275	11.71%	284,837,392	11.11%
b) Disability Benefits	6,878,132	0.27%	7,397,581	0.29%
c) Survivor Benefits	8,291,127	0.33%	9,373,708	0.37%
d) Voluntary Termination	63,399,642	2.49%	64,856,651	2.53%
e) Expenses	16,800,000	0.66%	17,600,000	0.69%
TOTAL	<u>393,664,176</u>	15.46%	<u>384,065,332</u>	14.99%
II. Actuarial Accrued Liability				
a) Active Members				
1) Retirement Benefits	4,631,307,633		4,482,149,078	
2) Disability Benefits	92,342,799		99,443,465	
3) Survivor Benefits	90,074,212		97,260,622	
4) Voluntary Termination	531,688,223		522,601,807	
	<u>5,345,412,867</u>		<u>5,201,454,972</u>	
b) Retired and Inactive Members				
1) Regular Retirees	5,990,245,261		5,501,848,987	
2) Disability Benefits	264,057,661		304,174,023	
3) Survivors	645,938,774		620,159,131	
4) Vested Deferred	151,189,809		136,832,448	
5) Contributions Refunded	70,106,848		65,471,756	
6) DROP Deferred Benefits	1,530,116,022		1,431,214,334	
7) DROP Account Balances	766,947,446		725,691,660	
	<u>9,418,601,821</u>		<u>8,785,392,339</u>	
c) Total	14,764,014,688		13,986,847,311	

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

	<u>June 30, 2010</u>	<u>---- Prior Year ---- June 30, 2009</u>
II. Actuarial Accrued Liability	14,764,014,688	13,986,847,311
III. Valuation Assets	8,512,402,951	8,292,849,439
IV. Unfunded Actuarial Accrued Liabilities - Projected Unit Credit <sup>1</sup>	6,251,611,737	5,693,997,872
a) Change over prior year	557,613,865	1,220,883,013
b) Funded Percentage	57.7%	59.3%
V. Employer Contributions To Fund Current Plan Year <sup>1</sup>		
a) Employer Portion of Normal Cost	183,268,009	173,355,974
b) Amortization Payments	467,655,963	399,509,248
c) Prior Contribution Variance	7,980,635	(9,290,152)
TOTAL Required Contribution	<u>658,904,607</u>	<u>563,575,070</u>
Less, Act 414 appropriation	317,366	317,366
Less, Act 353 appropriation	81,868	81,868
NET contribution required	<u>658,505,373</u>	<u>563,175,836</u>
	25.1%	21.3%
PERSAC Approved rate <sup>2</sup>	22.0%	18.6%
Employer Normal Cost Rate	6.9839%	6.5587%
VI. Projected Employer Contributions To Fund Next Plan Year <sup>1</sup>		
a) Employer Portion of Normal Cost	188,353,551	178,283,874
b) Amortization Payments	487,791,487	411,326,585
c) Prior Contribution Variance	21,597,567	7,865,183
TOTAL Required Contribution	<u>697,742,605</u>	<u>597,475,642</u>
Less, Act 414 appropriation	317,366	317,366
Less, Act 353 & 740 appropriation	81,868	81,868
NET contribution required	<u>697,343,371</u>	<u>597,076,408</u>
	25.9%	22.0%
VII. Current Payroll	2,546,456,790	2,562,575,942
Projected Payroll - Mid Year	2,624,144,721	2,643,160,541
Projected Payroll - Next Year	2,696,962,655	2,718,296,289

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

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

**EXHIBIT 2**

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

	----- Prior Years -----		
	June 30, 2010	June 30, 2009	June 30, 2008
<b><u>OPERATING REVENUES:</u></b>			
<b>1. Contribution Income</b>			
Member	\$ 205,328,033	\$ 203,050,933	\$ 192,412,444
Employer	490,701,310	486,583,512	505,678,953
ORP	536,331	770,389	805,806
<b>2. Other Income</b>			
Legislative Appropriations	0	0	20,000,000
Transfers/Purchases	7,215,418	7,648,566	6,444,250
Miscellaneous	4,938,245	5,500,621	9,257,397
<b>TOTAL CONTRIBUTIONS</b>	<b>708,719,337</b>	<b>703,554,021</b>	<b>734,598,850</b>
<b>3. Investment Income</b>			
Investments	1,186,060,257	(1,699,995,323)	(313,154,966)
Less Investment Expenses	(46,758,774)	(39,766,875)	(44,757,229)
<b>NET INVESTMENT INCOME</b>	<b>1,139,301,483</b>	<b>(1,739,762,198)</b>	<b>(357,912,195)</b>
<b>4. Total Revenues</b>	<b>1,848,020,820</b>	<b>(1,036,208,177)</b>	<b>376,686,655</b>
<b><u>OPERATING EXPENSES:</u></b>			
<b>1. General Administration</b> <sup>2</sup>	16,763,434	17,593,089	18,251,680 <sup>1</sup>
Depreciation Expenses	2,134,563	2,030,877	1,242,051 <sup>1</sup>
<b>2. Benefits Paid</b>			
a) Pension Benefits	829,236,652	771,408,255	718,303,319
b) Return of Contrib.	35,676,509	30,314,007	32,149,383
<b>TOTAL BENEFITS PAID</b>	<b>864,913,161</b>	<b>801,722,262</b>	<b>750,452,702</b>
<b>3. Total Operating Expenses</b>	<b>\$ 883,811,158</b>	<b>\$ 821,346,228</b>	<b>\$ 769,946,433</b>
<b><u>NET INCOME:</u></b>	<b>\$ 964,209,662</b>	<b>\$ (1,857,554,405)</b>	<b>\$ (393,259,778)</b>

<sup>1</sup> Revised to reflect LASERS revised financial statements.

<sup>2</sup> The 2010, 2009 & 2008 General Administration expenses include OPEB obligations of \$1,238,906, \$1,966,299 and \$2,057,060.

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

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

ASSETS (Market Value)	June 30, 2010	----Prior Years---	
		June 30, 2009 <sup>1</sup>	June 30, 2008
1. Short-Term Assets			
Cash/Cash Equivalencies	\$ 84,434,055	\$ 93,768,308	\$ 90,020,186
Short-Term Investments	127,615,624	104,413,791	434,203,918
2. Bonds			
Domestic Issues	1,597,637,072	1,472,432,260	1,332,828,250
International Issues	391,157,459	359,642,061	468,671,657
3. Equities			
Common Stock	1,963,558,128	1,903,399,102	2,602,246,396
International Stock	1,871,907,668	1,462,027,860	1,872,528,977
4. Other Assets			
Fixed Assets	11,189,902	13,110,842	14,839,317
Real Estate & Alternative Assets	2,009,111,466	1,684,078,043	2,073,781,826
5. Receivables(-)Payables	55,720,155	99,170,176	68,767,265
6. Securities Lending Assets - Liabilities	(47,788,480)	(91,709,056)	-
<b>TOTAL ASSETS - Market Value</b>	<b>8,064,543,049</b>	<b>7,100,333,387</b>	<b>8,957,887,792</b>
Cost Value	8,179,393,406	7,913,334,936	8,360,409,796

**ACTUARIAL VALUE OF ASSETS:**

TOTAL ASSETS	\$ 8,064,543,049	\$ 7,100,333,387	\$8,957,887,792
Change in Unrealized (G/L)			
Plan Year - 2 (wt. 1/4)	(1,064,807,621)	763,864,126	266,772,313
Plan Year - 1 (wt. 2/4)	(1,410,353,074)	(1,064,807,621)	763,864,126
Plan Year (wt. 3/4)	698,024,720	(1,410,353,074)	(1,064,807,621)
<b>Preliminary Actuarial Value of Assets</b>	<b>8,512,402,951</b>	<b>8,499,662,444</b>	<b>9,307,868,368</b>
<b>CORRIDOR LIMITS</b>			
Minimum = 80% of Market Value	6,451,634,439	5,680,266,710	7,166,310,234
Maximum = 120% of Market Value	9,677,451,659	8,520,400,064	10,749,465,350
<b>Actuarial Value of Assets</b>	<b>8,512,402,951</b>	<b>8,499,662,444</b>	<b>9,307,868,368</b>

**INVESTMENT YIELD:**

Yield-to-Market Value (Total Assets)	16.24%	-19.55%	-3.83%
Yield-to-Market Value (Excl. Self Directed)	16.68%	-19.95%	-3.91%
Yield-to-Actuarial Value	2.21%	-7.64%	8.49%
Five-Year Actuarial Value	5.73%	7.63%	10.65%
DROP Account Yield	1.71%	0.00%	7.99%

<sup>1</sup> Some asset classification were revised to reflect LASERS revised financial statements.

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

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

	---- Prior Years ----		
	June 30, 2010	June 30, 2009	June 30, 2008
<b><u>EMPLOYER CREDIT ACCOUNT</u><sup>1</sup>:</b>			
Prior Year Ending Balance	\$ -	\$ -	\$ -
+ Current Year Allocation	-	-	-
- Current Year Disbursements	-	-	-
+ Accumulated Interest	-	-	-
Total Account Balance - Year End	-	-	-
<b><u>INITIAL UAL AMORTIZATION FUND:</u></b>			
Prior Year Ending Balance	\$ 206,813,005	\$ 78,071,233	\$ 53,277,055
+ Primary Account Allocation	-	-	20,000,000
- Primary Account Disbursements	(91,484,360) <sup>5</sup>	-	-
+ Primary Account Accumulated Interest	6,972,250	6,440,877	4,794,178
+ Subaccount Allocation	-	122,300,895 <sup>2</sup>	-
- Subaccount Disbursements	(125,007,459) <sup>5</sup>	-	-
+ Subaccount Accumulated Interest	2,706,564	-	-
Total Fund Balance - Year End	-	206,813,005	78,071,233
<b><u>EXPERIENCE ACCOUNT FUND:</u></b>			
Prior Year Ending Balance	\$ -	\$ 140,698,470	\$ 275,351,338
+ Experience Account Allocation	-	-	9,061,232
- Benefit Disbursements	-	7,651,130 <sup>4</sup>	167,079,106
+ Accumulated Interest	-	(10,746,445)	23,365,006
- Disbursement to IUAL Subaccount	-	122,300,895 <sup>2</sup>	-
Fund Balance - Year End	-	-	140,698,470
<b><u>DEVELOPMENT OF VALUATION ASSETS:</u></b>			
Actuarial Value of Assets	\$ 8,512,402,951	\$ 8,499,662,444	\$ 9,307,868,368
- Employer Credit Account	-	-	-
- Initial UAL Fund	-	206,813,005	78,071,233
- Experience Account Fund	-	-	140,698,470
Val Valuation Assets	8,512,402,951	8,292,849,439	9,089,098,665

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

<sup>2</sup> Experience Account balance allocated to IUAL Subaccount, per Act 497 of 2009.

<sup>3</sup> Disbursement includes cost of 2008 COLA of \$153,535,263 and correction to prior year balance plus interest of \$13,554,217.

<sup>4</sup> Disbursement for 2009 Minimum Benefit Increase, per Act 144 of 2009.

<sup>5</sup> Disbursement to reduce OAB or EAAB, per Act 497 of 2009.

**EXHIBIT 3**

**PENSION ACCOUNTING  
AND  
FINANCIAL DISCLOSURE**

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

SCHEDULE OF FUNDING PROGRESS

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets <sup>1</sup> (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) <sup>1</sup> (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
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%
2009	8,499,662	13,986,847	5,487,185	60.8%	2,562,576	214.1%
2010	8,512,403	14,764,015	6,251,612	57.7%	2,546,457	245.5%

The total actuarial accrued liability determined using the Projected Unit Credit cost method increased by \$777,167,377 from June 30, 2009, to June 30, 2010. There was a net experience loss of \$630,583,406.

<sup>1</sup>UAAL differs from the UFAL for funding purposes. UFAL for funding purposes excludes the IUAL Account and the Employer Credit Account.

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

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fiscal Year	Actuarial Required Contribution	Percent Contributed	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation <sup>1</sup>
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	119.5%	-34,972,651
2009	492,402,961	102.8%	491,379,499	506,264,437	103.0%	-49,857,589
2010	585,268,922	87.2%	590,821,448	510,541,641	86.4%	30,422,218

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	585,268,922
(2) Interest on Net Pension Obligation	-4,113,251
(3) Amortization of Net Pension Obligation	<u>-9,665,777</u>
(4) Annual Pension Cost (1)+(2)-(3)	590,821,448
(5) Employer Contribution	510,541,641
(6) Increase (decrease) in Net Pension Obligation	80,279,807
(7) Net Pension Obligation Beginning of Year	-49,857,589
(8) Net Pension Obligation End of Year (6)+(7)	30,422,218

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



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

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

Revenues by Source				
Fiscal Year	Members Contribution	Employer Contribution <sup>1</sup>	Investment Income	Total
2001	144,603,488	257,315,718	-408,921,854	-7,002,648
2002	151,350,321	270,738,589	-342,821,109	79,267,801
2003	159,469,854	307,427,163	212,771,376 <sup>2</sup>	679,668,393
2004	163,277,178	345,317,005	996,067,481 <sup>2</sup>	1,504,661,664 <sup>2</sup>
2005	169,143,849	429,233,725	650,345,828	1,248,723,402 <sup>2</sup>
2006	165,509,666	457,965,781	833,207,981	1,456,683,428
2007	167,957,870	428,614,645	1,472,840,599	2,069,413,114
2008	192,412,444	542,186,406	-357,912,195	376,686,655
2009	203,050,933	500,503,088	-1,739,762,198	-1,036,208,177
2010	205,328,033	503,391,304	1,139,301,483	1,848,020,820

Expenses by Type				
Fiscal Year	Benefits	Refunds	Administrative Expenses <sup>3</sup>	Total
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	15,125,457	726,773,090
2008	718,303,319	32,149,383	19,493,731	769,946,433
2009	771,408,255	30,314,007	19,623,966	821,346,228
2010	829,236,652	35,676,509	18,897,997	883,811,158

<sup>1</sup> Includes transfers and purchases and the annual employer contribution, and any legislative appropriations.

<sup>2</sup> The auditors have restated Net Income to include unrealized market value from the security lending program previously reported as \$889,281,150 for 2004 and \$98,865,745 for 2003. The adjustments were deemed immaterial for valuation purposes for prior years.

<sup>3</sup> Includes other expenses, not related to the administration of daily operation. Beginning in 2008, includes the net OPEB obligation.

**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 fall outside the parameters of the editing process for further checking. There were no records purged from the database.

Salary data contained in the profiles and valuation report exceed the amount reported by internal audit due to salary annualization. In the valuation process, membership data with fractional service in the first year of employment annualizes the salary.

The following is a summary by plan of the data submitted for valuation:

	<b>Census</b>		
	<b>2010</b>	<b>2009</b>	<b>2008</b>
Active Members	58,881	61,991	61,780
Regular Retirees <sup>1</sup>	31,086	30,062	29,416
Disability Retirees <sup>1</sup>	2,603	2,631	2,669
Survivors	5,696	5,560	5,490
Vested & Reciprocals	1,981	1,947	1,824
Due Refunds	50,842	49,701	47,828
DROP Participants	2,629	2,683	2,643
<b>Total</b>	<b>153,718</b>	<b>154,575</b>	<b>151,650</b>

<sup>1</sup> Beginning in 2008, disability retirees who have reached normal retirement eligibility requirements will be classified as disability retirees and liabilities will be calculated accordingly. The reclassification is for purposes of the Actuarial Valuation only. These retirees are considered regular retirees by LASERS. In 2008, there was a shift of 1,582 members from regular retirement status to disability status.

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
REGULAR MEMBERS before 7/06

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2010

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35- )	Total
[ 0 - 19)	0	0	1	0	1	0	0	0	0	2
	0	0	19828	0	49973	0	0	0	0	69801
[20 - 24)	5	48	25	0	0	0	0	0	0	78
	103983	1200323	670403	0	0	0	0	0	0	1974709
[25 - 29)	2	352	847	20	1	0	0	0	0	1222
	32723	11611898	28997165	709944	62000	0	0	0	0	41413730
[30 - 34)	2	369	1810	614	30	1	0	0	0	2826
	49354	13485337	72273578	24181716	1257981	40217	0	0	0	111288183
[35 - 39)	5	261	1448	1436	487	38	0	0	0	3675
	311879	9004441	60089495	65443572	22747506	1795825	0	0	0	159392718
[40 - 44)	5	225	1284	1368	1309	572	70	0	0	4833
	150658	8308824	51943042	61443915	67680063	29697419	3442176	0	0	222666097
[45 - 49)	6	243	1289	1311	1376	1188	1296	98	0	6807
	196521	8730910	50371995	56304759	67794470	65028518	67276291	5244551	0	320948015
[50 - 54)	1	223	1295	1217	1389	1162	1776	438	13	7514
	30335	8122394	49784741	50982622	67273357	59614449	100403761	26404051	815701	363431411
[55 - 59)	2	157	993	1006	1216	863	400	295	88	5020
	68000	5701359	39194044	42887533	59526961	45499541	24575744	20814606	6293784	244561572
[60 - 64)	0	49	568	469	410	235	139	94	57	2021
	0	2295092	22391466	20208807	20470813	12856761	8223013	5702392	4278976	96427320
[65 - 69)	0	7	104	108	134	70	48	25	23	519
	0	263466	4308544	4452399	6610260	3865183	2646950	1426043	1377017	24949862
[70 - 74)	0	10	32	31	38	38	19	16	9	193
	0	442798	1304453	1613961	2236111	1733254	1136075	813065	522017	9801734
<b>Total</b>	<b>28</b>	<b>1944</b>	<b>9696</b>	<b>7580</b>	<b>6391</b>	<b>4167</b>	<b>3748</b>	<b>966</b>	<b>190</b>	<b>34710</b>
	<b>943453</b>	<b>69166842</b>	<b>381348754</b>	<b>328229228</b>	<b>315709495</b>	<b>220131167</b>	<b>207704010</b>	<b>60404708</b>	<b>13287495</b>	<b>1596925152</b>

AVERAGES --- Attained Age 47.65  
Service Years 14.92  
Active Salary 46,008

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
REGULAR MEMBERS after 7/06

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2010

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35- )	Total
[ 0 - 19):	98	27	0	0	0	0	0	0	0	125
:	1390995	495969	0	0	0	0	0	0	0	1886964
[20 - 24):	602	961	0	0	0	0	0	0	0	1563
:	12541143	23075517	0	0	0	0	0	0	0	35616660
[25 - 29):	741	2715	5	0	0	0	0	0	0	3461
:	18497672	85655577	131580	0	0	0	0	0	0	104284829
[30 - 34):	510	2053	11	3	0	1	0	0	0	2578
:	13943835	70329825	377278	99931	0	32287	0	0	0	84783156
[35 - 39):	434	1721	9	7	0	0	0	0	0	2171
:	11254061	62649398	294637	320240	0	0	0	0	0	74518336
[40 - 44):	290	1379	2	9	3	0	0	0	0	1683
:	8279758	49987331	44929	401136	151062	0	0	0	0	58864216
[45 - 49):	254	1376	13	8	8	4	3	0	1	1667
:	7878966	48515258	375304	171369	274115	126173	119723	0	38166	57499074
[50 - 54):	225	1158	4	8	2	3	4	1	0	1405
:	6729110	42823301	147762	440799	59111	169233	67625	50973	0	50487914
[55 - 59):	125	775	5	6	7	2	1	0	0	921
:	4158678	29480944	136484	374898	339812	99297	61500	0	0	34651613
[60 - 64):	16	224	4	1	0	0	0	0	0	245
:	623745	9677128	279270	176405	0	0	0	0	0	10756548
[65 - 69):	3	42	2	0	0	0	0	1	2	50
:	125633	2080011	76800	0	0	0	0	221934	106501	2610879
[70 - 74):	2	11	0	0	0	0	0	0	0	13
:	66939	323799	0	0	0	0	0	0	0	390738
Total	3300	12442	55	42	20	10	8	2	3	15882
Total	85490534	425094058	1864044	1984778	824100	426990	248848	272907	144667	516350926

AVERAGES --- Attained Age 37.44  
Service Years 2.18  
Active Salary 32,512

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
PARTICIPATING LEGISLATORS

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2010

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	1 130000	0	0	0	0	0	0	0	1 130000
[40 - 44)	0	0	0	2 75422	0	0	0	0	0	2 75422
[45 - 49)	0	0	1 128117	0	2 171734	1 55350	0	0	0	4 355201
[50 - 54)	0	1 39673	0	0	1 51220	0	0	0	0	2 90893
[55 - 59)	0	0	0	0	3 342389	0	1 38298	0	0	4 380687
[60 - 64)	0	2 77054	2 123970	1 46473	0	1 40427	0	0	0	6 287924
[65 - 69)	0	0	0	0	0	1 44415	1 42460	0	0	2 86875
[70 - 74)	0	0	0	0	0	0	0	0	0	0
Total	0	4	3	3	6	3	2	0	0	21
Total	0	246727	252087	121895	565343	140192	80758	0	0	1407002

AVERAGES --- Attained Age 55.58  
Service Years 14.49  
Active Salary 67,000

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
ACTIVE JUDGES

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2010

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	1	0	0	0	0	0	0	0	1
		38900	0	0	0	0	0	0	0	38900
[30 - 34)	1	0	0	0	0	0	0	0	0	1
	21540	0	0	0	0	0	0	0	0	21540
[35 - 39)	0	6	2	0	0	0	0	0	0	8
	0	651112	260330	0	0	0	0	0	0	911442
[40 - 44)	2	12	7	2	0	0	0	0	0	23
	213725	1517735	899177	265930	0	0	0	0	0	2896567
[45 - 49)	1	18	14	14	13	1	1	0	0	62
	108470	2277431	1700794	1748195	1683768	150583	130165	0	0	7799406
[50 - 54)	2	15	8	23	10	8	3	1	0	70
	212668	1720125	1040248	2913139	1222713	997758	395295	130165	0	8632111
[55 - 59)	1	5	11	21	26	8	3	3	0	78
	102000	656843	1286543	2657895	3341431	931824	395436	390495	0	9762467
[60 - 64)	0	3	8	11	21	6	5	3	0	57
	0	390495	1050138	1345440	2707670	678934	628445	371791	0	7172913
[65 - 69)	0	1	5	4	5	2	6	4	0	27
	0	130165	650825	526678	678204	259557	782529	516583	0	3544541
[70 - 74)	0	0	0	4	0	0	1	0	0	5
	0	0	0	504971	0	0	68910	0	0	573881
Total	7	61	55	79	75	25	19	11	0	332
Total	658403	7382806	6888055	9962248	9633786	3018656	2400780	1409034	0	41353768

AVERAGES --- Attained Age 54.79  
Service Years 12.99  
Active Salary 124,560

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
CORR PRIMARY before 1986

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2010

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	0	0	0	0	5	1	0	0	6
[45 - 49)	0	0	0	0	0	13	4	0	0	17
[50 - 54)	0	0	0	0	0	11	11	2	1	25
[55 - 59)	0	0	0	0	0	4	6	0	1	11
[60 - 64)	0	0	0	0	0	3	3	1	1	8
[65 - 69)	0	0	0	0	0	1	0	0	0	1
[70 - 74)	0	0	0	0	0	0	2	0	0	2
Total	0	0	0	0	0	37	27	3	3	70
Total	0	0	0	0	0	2286443	1614091	159167	147357	4207058

AVERAGES --- Attained Age 53.13  
Service Years 26.05  
Active Salary 60,101

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
CORR PRIMARY after 1986

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2010

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	1	0	0	0	0	0	5
	0	56470	76213	37717	0	0	0	0	0	170400
[30 - 34):	0	0	2	15	0	0	0	0	0	17
	0	0	86892	630886	0	0	0	0	0	717778
[35 - 39):	0	1	8	34	9	1	0	0	0	53
	0	29455	335112	1519034	453399	55188	0	0	0	2392188
[40 - 44):	0	0	8	31	20	10	0	0	0	69
	0	0	348146	1338677	1117255	620934	0	0	0	3425012
[45 - 49):	0	0	11	71	55	36	0	0	0	173
	0	0	445044	3209779	2945969	2052941	0	0	0	8653733
[50 - 54):	0	0	13	72	41	27	0	0	0	153
	0	0	507356	3297195	2178273	1510499	0	0	0	7493323
[55 - 59):	0	0	14	56	43	32	0	0	0	145
	0	0	575223	2441092	2341113	1912610	0	0	0	7270038
[60 - 64):	0	0	5	8	14	8	0	0	0	35
	0	0	196989	330419	728689	446274	0	0	0	1702371
[65 - 69):	0	0	0	1	3	3	0	0	0	7
	0	0	0	35390	138044	169370	0	0	0	342804
[70 - 74):	0	0	0	1	1	0	0	0	0	2
	0	0	0	38589	54576	0	0	0	0	93165
Total	0	3	63	290	186	117	0	0	0	659
Total	0	85925	2570975	12878778	9957318	6767816	0	0	0	32260812

AVERAGES --- Attained Age 50.10  
Service Years 15.09  
Active Salary 48,954



MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
CORRECTIONS SECONDARY

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2010

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35- )	Total
[ 0 - 19)	37	4	0	0	0	0	0	0	0	41
	821046	105972	0	0	0	0	0	0	0	927018
[20 - 24)	123	203	11	0	0	0	0	0	0	337
	2929196	5902927	371917	0	0	0	0	0	0	9204040
[25 - 29)	99	331	149	14	0	0	1	0	0	594
	2996265	10619684	5336489	544080	0	0	38293	0	0	19534811
[30 - 34)	62	214	188	112	7	0	0	0	0	583
	1511134	6989574	7139200	4862555	351101	0	0	0	0	20853564
[35 - 39)	39	166	149	161	76	11	0	0	0	602
	1584688	5285206	5959828	7540248	4153829	691003	0	0	0	25214802
[40 - 44)	45	160	132	127	144	94	5	0	0	707
	2084858	5304224	5043552	5789544	8195469	5537995	292224	0	0	32247866
[45 - 49)	42	141	118	72	65	101	22	1	0	562
	1288771	4622955	4500182	3207765	3638186	6008907	1339073	45173	0	24651012
[50 - 54)	15	103	90	48	24	33	16	6	0	335
	349394	3302619	3427650	2210762	1261297	2044200	1048882	421015	0	14065819
[55 - 59)	13	55	63	45	21	20	4	7	2	230
	373045	1900617	2364684	2073328	1138572	1209353	268942	394531	104734	9827806
[60 - 64)	2	21	35	24	15	12	1	0	1	111
	45276	732223	1406237	1138582	839475	642618	64807	0	106768	4975986
[65 - 69)	1	5	5	4	2	2	2	0	0	21
	32106	205975	181646	223290	118871	112200	132694	0	0	1006782
[70 - 74)	0	2	0	2	2	0	0	0	1	7
	0	60830	0	87569	93898	0	0	0	56668	298965
<b>Total</b>	<b>478</b>	<b>1405</b>	<b>940</b>	<b>609</b>	<b>356</b>	<b>273</b>	<b>51</b>	<b>14</b>	<b>4</b>	<b>4130</b>
<b>Total</b>	<b>14015779</b>	<b>45032806</b>	<b>35731385</b>	<b>27677723</b>	<b>19790698</b>	<b>16246276</b>	<b>3184915</b>	<b>860719</b>	<b>268170</b>	<b>162808471</b>

AVERAGES --- Attained Age 39.39  
Service Years 7.87  
Active Salary 39,421

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
WILDLIFE before 2003

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2010

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	1	0	0	0	0	0	0	1
			51458	0	0	0	0	0	0	51458
[30 - 34)	0	0	14	9	0	0	0	0	0	23
			727760	501823	0	0	0	0	0	1229583
[35 - 39)	0	0	8	25	8	0	0	0	0	41
			439150	1470015	509859	0	0	0	0	2419024
[40 - 44)	0	0	4	15	14	3	1	0	0	37
			219574	875566	923839	224452	53691	0	0	2297122
[45 - 49)	0	0	1	2	9	5	1	0	0	18
			57576	127243	612405	361360	98312	0	0	1256896
[50 - 54)	0	0	0	0	7	2	1	0	0	10
			0	0	477731	146898	75647	0	0	700276
[55 - 59)	0	0	0	2	1	1	1	0	0	5
			0	129219	56810	67505	77688	0	0	331222
[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	28	53	39	11	4	0	0	135
Total	0	0	1495518	3103866	2580644	800215	305338	0	0	8285581

AVERAGES --- Attained Age 41.27  
Service Years 14.46  
Active Salary 61,375

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
WILDLIFE after 2003

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2010

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	7	0	0	0	0	0	0	0	7
[25 - 29)	4	27	8	0	0	0	0	0	0	39
[30 - 34)	0	16	4	0	0	0	0	0	0	20
[35 - 39)	0	4	5	0	0	0	0	0	0	9
[40 - 44)	0	1	3	0	0	0	0	0	0	4
[45 - 49)	0	2	0	0	0	0	0	0	0	2
[50 - 54)	0	0	0	0	0	0	0	0	0	0
[55 - 59)	0	0	0	0	0	0	0	0	0	0
[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	4	57	20	0	0	0	0	0	0	81
Total	110481	2385095	965304	0	0	0	0	0	0	3460880

AVERAGES --- Attained Age 30.43  
Service Years 3.89  
Active Salary 42,727

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
PEACE OFFICERS

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2010

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	6	0	0	0	0	0	0	0	6
[25 - 29)	0	1	4	0	0	0	0	0	0	5
[30 - 34)	0	4	3	5	1	0	0	0	0	13
[35 - 39)	0	2	3	3	5	0	0	0	0	13
[40 - 44)	0	1	2	2	6	5	0	0	0	16
[45 - 49)	0	0	1	5	6	6	2	1	0	21
[50 - 54)	0	0	2	1	2	5	4	0	0	14
[55 - 59)	0	1	1	2	3	1	0	0	0	8
[60 - 64)	0	0	5	2	0	1	0	0	0	8
[65 - 69)	0	0	3	0	0	0	0	0	0	3
[70 - 74)	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	0	15	24	20	23	18	6	1	0	107
<b>Total</b>	0	579388	1070380	939932	1173045	1000556	337884	59074	0	5160259

AVERAGES --- Attained Age 44.16  
Service Years 13.42  
Active Salary 48,227

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
ALCOHOL TOBACCO CONTROL

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2010

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	9	4	0	0	0	0	0	0	13
[30 - 34)	0	6	4	1	0	0	0	0	0	11
[35 - 39)	0	1	2	3	2	0	0	0	0	8
[40 - 44)	0	0	0	0	1	3	0	0	0	4
[45 - 49)	0	0	0	2	1	0	0	0	0	3
[50 - 54)	0	0	0	0	3	0	0	0	0	3
[55 - 59)	0	0	0	1	1	0	0	0	0	2
[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	0	16	10	8	8	3	0	0	0	45
Total	0	584491	424006	385756	539593	158570	0	0	0	2092416

AVERAGES --- Attained Age 37.15  
Service Years 9.61  
Active Salary 46,498

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
BRIDGE POLICE

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2010

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35- )	Total
[ 0 - 19)	0	0	0	0	0	0	0	0	0	0
[20 - 24)	1	1	0	0	0	0	0	0	0	2
[25 - 29)	1	3	0	0	0	0	0	0	0	4
[30 - 34)	1	2	4	1	0	0	0	0	0	8
[35 - 39)	1	1	1	1	1	0	0	0	0	5
[40 - 44)	0	1	1	3	1	0	0	0	0	6
[45 - 49)	0	0	0	0	0	2	0	0	0	2
[50 - 54)	0	0	0	0	1	0	0	1	0	2
[55 - 59)	0	0	0	0	0	0	0	0	0	0
[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	4	8	6	5	3	2	0	1	0	29
Total	132414	345356	280087	274983	179653	128234	0	63921	0	1404648

AVERAGES --- Attained Age 36.45  
Service Years 9.09  
Active Salary 48,436

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
APPELLATE LAW CLERKS

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2010

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)	3	8	0	0	0	0	0	0	0	11
	125113	381883	0	0	0	0	0	0	0	506996
[30 - 34)	1	7	5	0	0	0	0	0	0	13
	59676	337207	286935	0	0	0	0	0	0	683818
[35 - 39)	1	5	16	5	0	0	0	0	0	27
	55000	272712	933875	304835	0	0	0	0	0	1566422
[40 - 44)	0	1	9	9	7	1	0	0	0	27
	0	58216	548543	622154	494624	70911	0	0	0	1794448
[45 - 49)	0	3	5	8	10	9	1	0	0	36
	0	180276	324609	558054	769143	741593	80445	0	0	2654120
[50 - 54)	0	2	8	3	1	6	5	0	0	25
	0	115875	512054	208503	73319	485238	456130	0	0	1851119
[55 - 59)	0	0	2	2	1	2	4	0	0	11
	0	0	124490	133102	80170	177504	367899	0	0	883165
[60 - 64)	0	1	2	2	1	1	1	0	0	8
	0	58735	123814	138159	71836	85612	92140	0	0	570296
[65 - 69)	0	0	1	0	0	0	0	0	1	2
	0	0	58838	0	0	0	0	0	105207	164045
[70 - 74)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>27</b>	<b>48</b>	<b>29</b>	<b>20</b>	<b>19</b>	<b>11</b>	<b>0</b>	<b>1</b>	<b>160</b>
<b>Total</b>	<b>239789</b>	<b>1404904</b>	<b>2913158</b>	<b>1964807</b>	<b>1489092</b>	<b>1560858</b>	<b>996614</b>	<b>0</b>	<b>105207</b>	<b>10674429</b>

AVERAGES --- Attained Age 45.25  
Service Years 11.95  
Active Salary 66,715

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS RETIRED

STATE EMPLOYEES' SYSTEM  
DROP PARTICIPANTS

CELLS DEPICT - MEMBER COUNT  
TOTAL BENEFITS

VALUATION DATE 6/30/2010

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20- )	Total
[ 0 - 39)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[40 - 44)	1	0	0	0	0	0	0	0	0	1
	31584	0	0	0	0	0	0	0	0	31584
[45 - 49)	76	31	2	0	0	0	0	0	0	109
	2651856	1110108	80892	0	0	0	0	0	0	3842856
[50 - 54)	267	274	205	1	0	0	0	0	0	747
	9928560	9703116	7009068	27216	0	0	0	0	0	26667960
[55 - 59)	332	325	305	0	0	0	0	0	0	962
	11379756	10791384	10067916	0	0	0	0	0	0	32239056
[60 - 64)	289	259	213	3	0	0	0	0	0	764
	5381340	5340084	3875928	88272	0	0	0	0	0	14685624
[65 - 69)	12	8	15	0	0	0	0	0	0	35
	163272	74004	108708	0	0	0	0	0	0	345984
[70 - 74)	2	6	1	0	0	0	0	0	0	9
	17880	48456	4668	0	0	0	0	0	0	71004
[75 - 79)	1	0	1	0	0	0	0	0	0	2
	29652	0	26856	0	0	0	0	0	0	56508
[80 - 84)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[85 - 89)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[90 - 99)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Total	980	903	742	4	0	0	0	0	0	2629
Total	29583900	27067152	21174036	115488	0	0	0	0	0	77940576

AVERAGES --- Attained Age 56.94  
Years Retired 1.41  
Annual Benefit 29,646



MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
ACTIVE AFTER DROP

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY  
DROP BENEFITS

VALUATION DATE 6/30/2010

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):	0	1	4	0	0	0	0	0	0	5
:	0	67475	322259	0	0	0	0	0	0	389734
:	0	22788	94632	0	0	0	0	0	0	117420
[45 - 49):	3	6	4	8	4	11	0	0	0	36
:	113593	413211	259214	499731	269147	749851	0	0	0	2304747
:	73116	152976	82464	148944	76920	170340	0	0	0	704760
[50 - 54):	112	46	35	21	9	24	3	0	0	250
:	4851978	2454474	1912379	1355662	565448	1634518	183070	0	0	12957529
:	3453264	1314636	999024	579816	193932	406140	37164	0	0	6983976
[55 - 59):	232	227	113	63	65	80	7	0	0	787
:	10662949	14520428	7021878	3741658	4016173	5055882	543031	0	0	45561999
:	7108416	7820580	3722160	1820724	1834056	1887936	123144	0	0	24317016
[60 - 64):	189	146	123	81	113	173	15	0	0	840
:	7452324	7558509	7815590	4862066	7893188	12094514	1233308	0	0	48909499
:	3450276	3004440	3649080	2213184	3528312	4955388	418968	0	0	21219648
[65 - 69):	13	11	101	70	68	161	25	0	0	449
:	713168	669760	5124285	3749876	3542495	10020704	1551658	0	0	25371946
:	321240	212340	1471860	1261392	993540	3493704	569544	0	0	8323620
[70 - 74):	1	6	6	3	8	91	37	1	0	153
:	114672	339426	356852	143567	466985	5061389	2397394	68349	0	8948634
:	48564	122052	79152	44400	98220	1412136	748728	31392	0	2584644
Total	550	443	386	246	267	540	87	1	0	2520
Total	23908684	26023283	22812457	14352560	16753436	34616858	5908461	68349	0	144444088
Total	14454876	12649812	10098372	6068460	6724980	12325644	1897548	31392	0	64251084

AVERAGES --- Attained Age 61.24  
Post Drop Years 3.45  
Active Salary 57,319  
Annual Benefit 25,496

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
POST RETIREMENT SERVICE

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2010

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	0	0	0	0	0	0	0	0	0
[45 - 49)	4	7	3	0	0	0	0	0	0	14
[50 - 54)	6	24	14	0	0	0	0	0	0	44
[55 - 59)	14	26	15	1	0	0	0	0	0	56
[60 - 64)	22	38	20	1	0	1	0	0	0	82
[65 - 69)	26	33	18	1	0	0	0	0	0	78
[70 - 74)	25	28	26	3	0	0	0	0	0	82
Total	97	156	96	6	0	1	0	0	0	356
Total	3454142	7033476	4702313	377896	0	53473	0	0	0	15621300

AVERAGES --- Attained Age 63.28  
Service Years 3.58  
Active Salary 43,880

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS RETIRED

STATE EMPLOYEES' SYSTEM  
REGULAR RETIREES

CELLS DEPICT - MEMBER COUNT  
TOTAL BENEFITS

VALUATION DATE 6/30/2010

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20- )	Total
[ 0 - 39)	1	0	0	0	0	0	0	0	0	1
	34224	0	0	0	0	0	0	0	0	34224
[40 - 44)	9	3	1	3	4	3	0	0	0	23
	133548	38664	7116	62256	55776	65100	0	0	0	362460
[45 - 49)	65	32	29	42	39	94	15	0	0	316
	1932996	814260	591732	798480	525936	1331796	165492	0	0	6160692
[50 - 54)	298	201	181	187	165	342	124	1	0	1499
	9792708	5941368	5417796	4546644	3384648	5347044	1422240	12648	0	35865096
[55 - 59)	435	459	450	537	588	1042	314	27	0	3852
	14883348	15497904	15195384	15452460	15553596	25488732	4464984	451584	0	106987992
[60 - 64)	556	488	541	637	828	2356	765	50	12	6233
	11427852	10591716	12357480	15001980	21803808	64881096	17255976	1058748	174960	154553616
[65 - 69)	99	121	181	332	469	2373	1595	238	103	5511
	1944696	2272680	3357204	5410380	8013444	47903280	40878360	5890464	1944240	117614748
[70 - 74)	39	33	38	55	102	1176	2042	582	748	4815
	964752	1075836	804180	967392	1577436	20178816	39985320	14221932	15534180	95309844
[75 - 79)	9	5	11	15	16	263	1219	1016	1214	3768
	280260	74556	282600	270756	397512	5365668	21669756	16417680	22466292	67225080
[80 - 84)	4	1	4	1	3	53	319	724	1697	2806
	123636	29472	110640	27324	51324	888828	6643272	11114208	27467304	46456008
[85 - 89)	2	0	0	0	1	9	59	165	1370	1606
	58272	0	0	0	52116	225408	1260156	2722308	19976748	24295008
[90 - 99)	0	0	0	0	0	2	4	16	634	656
	0	0	0	0	0	26508	80136	446460	8290644	8843748
Total	1517	1343	1436	1809	2215	7713	6456	2819	5778	31086
Total	41576292	36336456	38124132	42537672	51415596	171702276	133825692	52336032	95854368	663708516

AVERAGES --- Attained Age 69.27  
Years Retired 11.40  
Annual Benefit 21,351

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS RETIRED

STATE EMPLOYEES' SYSTEM  
DISABILITY RETIREES

CELLS DEPICT - MEMBER COUNT  
TOTAL BENEFITS

VALUATION DATE 6/30/2010

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20- )	Total
[ 0 - 39):	4	4	1	0	3	2	0	0	0	14
:	55980	58908	6336	0	45588	16992	0	0	0	183804
[40 - 44):	8	13	7	5	4	9	1	0	0	47
:	118272	181308	94056	57660	38172	100428	15288	0	0	605184
[45 - 49):	14	18	14	10	15	54	13	5	0	143
:	281160	338808	203412	128676	233196	665760	128424	32760	0	2012196
[50 - 54):	32	19	20	34	24	133	41	23	10	336
:	654912	311100	290172	550812	378324	2112288	487308	170268	56364	5011548
[55 - 59):	30	29	30	40	37	165	114	56	18	519
:	496572	453228	410772	623580	578592	2667252	1468836	528204	133572	7360608
[60 - 64):	1	5	8	13	31	171	148	88	45	510
:	65088	61836	136536	132768	492780	2379324	2052672	1040496	403512	6765012
[65 - 69):	0	0	0	0	2	57	117	95	102	373
:	0	0	0	0	17232	660000	1445808	1033752	949356	4106148
[70 - 74):	0	0	0	1	0	0	67	122	125	315
:	0	0	0	56376	0	0	682116	1272900	1202832	3214224
[75 - 79):	0	0	0	0	0	1	0	34	140	175
:	0	0	0	0	0	51060	0	323280	1441692	1816032
[80 - 84):	0	0	0	0	0	0	0	0	104	104
:	0	0	0	0	0	0	0	0	930240	930240
[85 - 89):	0	0	0	0	0	0	0	0	51	51
:	0	0	0	0	0	0	0	0	493896	493896
[90 - 99):	0	0	0	0	0	0	0	0	16	16
:	0	0	0	0	0	0	0	0	118836	118836
Total	89	88	80	103	116	592	501	423	611	2603
Total	1671984	1405188	1141284	1549872	1783884	8653104	6280452	4401660	5730300	32617728

AVERAGES --- Attained Age 63.30  
Years Retired 13.59  
Annual Benefit 12,531

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS RETIRED

STATE EMPLOYEES' SYSTEM  
SURVIVOR BENEFITS

CELLS DEPICT - MEMBER COUNT  
TOTAL BENEFITS

VALUATION DATE 6/30/2010

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20- )	Total
[ 0 - 39):	18	30	31	33	34	137	119	89	73	564
:	443940	728832	808548	816396	774396	2803848	2094756	1234284	948516	10653516
[40 - 44):	3	7	7	4	2	4	5	9	21	62
:	39756	98328	128280	48000	27468	71724	89568	84780	305400	893304
[45 - 49):	4	13	11	8	9	19	12	7	9	92
:	115560	176964	189348	141168	141624	270468	165900	62964	97500	1361496
[50 - 54):	15	13	10	7	8	35	18	12	16	134
:	416184	287172	138240	146952	94428	475284	207480	134508	170400	2070648
[55 - 59):	20	18	19	16	15	59	45	26	34	252
:	475596	450024	374220	327204	301596	1202964	646956	352536	281064	4412160
[60 - 64):	26	19	29	26	30	104	44	48	84	410
:	513552	398424	564348	565140	719136	1970172	753672	583464	847752	6915660
[65 - 69):	17	18	25	22	28	108	96	86	177	577
:	407544	329244	530520	422604	579408	1766664	1742496	1226388	2028600	9033468
[70 - 74):	26	13	16	18	12	79	83	136	399	782
:	614556	298008	222180	269208	124068	1359996	1105548	1874544	4712616	10580724
[75 - 79):	13	16	12	12	10	48	72	140	555	878
:	210972	342324	202524	195684	156312	815868	820152	1739820	6207564	10691220
[80 - 84):	5	1	5	2	4	24	24	80	780	925
:	58248	13812	188832	25752	74520	382656	393144	1132068	8346288	10615320
[85 - 89):	2	0	0	0	0	4	12	26	643	687
:	60552	0	0	0	0	48192	124092	404340	6889740	7526916
[90 - 99):	0	0	0	0	0	1	1	2	329	333
:	0	0	0	0	0	20568	10896	13272	2994396	3039132
Total	149	148	165	148	152	622	531	661	3120	5696
Total	3356460	3123132	3347040	2958108	2992956	11188404	8154660	8842968	33829836	77793564

AVERAGES --- Attained Age 70.14  
Years Retired 19.86  
Annual Benefit 13,658

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM  
TERM-VESTED/RECIPROCAL

CELLS DEPICT - MEMBER COUNT  
TOTAL BENEFITS

VALUATION DATE 6/30/2010

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	1	0	0	0	0	0	0	0	1
[25 - 29)	0	1	3	0	0	0	0	0	0	4
[30 - 34)	0	2	5	32	2	0	0	0	0	41
[35 - 39)	0	0	0	73	48	2	0	0	0	123
[40 - 44)	0	1	5	80	147	41	2	0	0	276
[45 - 49)	0	2	1	66	155	114	59	4	0	401
[50 - 54)	0	0	2	54	150	105	114	42	1	468
[55 - 59)	0	3	1	69	154	93	78	61	28	487
[60 - 64)	0	2	4	10	32	16	23	16	16	119
[65 - 69)	0	1	0	3	3	1	3	7	14	32
[70 - 74)	0	0	0	0	2	0	3	2	22	29
<b>Total</b>	<b>0</b>	<b>13</b>	<b>21</b>	<b>387</b>	<b>693</b>	<b>372</b>	<b>282</b>	<b>132</b>	<b>81</b>	<b>1981</b>
<b>Total</b>	<b>0</b>	<b>26064</b>	<b>65568</b>	<b>5059538</b>	<b>9965935</b>	<b>6102979</b>	<b>4405185</b>	<b>1923408</b>	<b>624108</b>	<b>28172785</b>

AVERAGES --- Attained Age 51.18  
Service Years 20.62  
Annual Benefit 14,221

**EXHIBIT 5**

**PRINCIPLE PROVISIONS OF THE PLAN**

**EFFECTIVE DATE:**

July 1, 1947

**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 four years of credit for military service may be obtained for each member with at least two years service, contingent on payment of Actuarial Cost.
3. Credit for service which was classified as a job appointment or emergency appointment which exceeds two 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 36 highest months of successive employment, or the highest 36 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 60 highest months of successive employment. Compensation is limited by the 401a(17) compensation limit of the Internal Revenue Code for certain members.

**ACCUMULATED CONTRIBUTIONS:**

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



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

**EMPLOYEE CONTRIBUTIONS:**

	<b>Historical Contribution</b>	<b>Current Contribution</b>
Regular Employees, hired before 7/1/2006	7.0% of Compensation	7.5% eff. 7/1/1989
Regular Employees, hired after 6/30/2006	N/A	8.0% of Compensation
Agents of Department of Corrections	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
Bridge Police	8.5% of Compensation	8.5% of Compensation

**EMPLOYER CONTRIBUTIONS:**

Act 81 of 1988 requires the employer rate to be actuarially determined and set annually, based on the Public Retirement Systems' Actuarial Committee's recommendation to the Legislature.

**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, or 5 years at age 60 effective January 1, 2011, per Act 992 of 2010. 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 65 and 10 years, or age 50 and 20 years, or age 55 and 12 years, or age 70 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.
7. Bridge Police: Age 60 and 10 years of service, or any age and 25 years.

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

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

1. 2.5% of average compensation per year, plus \$300 supplemental benefit. Peace Officers 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.
2. Annual pension equal to 3.5% 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.
3. 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 10 years.
6. 3.33% of average compensation per year.
7. 2.5% of average compensation per year, plus \$300 supplemental benefit.

**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 resume but shall include any post-retirement increases granted during suspension. (These are not retroactive). 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:

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

<u>Age</u>	<u>Maximum</u>	<u>Age</u>	<u>Maximum</u>	<u>Age</u>	<u>Maximum</u>
48	\$ 54,497	56	\$110,875	64	\$195,000
49	59,427	57	121,552	65	195,000
50	64,840	58	133,369	66	195,000
51	70,787	59	146,460	67	195,000
52	77,324	60	160,980	68	195,000
53	84,521	61	177,098	69	195,000
54	92,454	62	195,000	70	195,000
55	101,209	63	195,000		

**EARLY RETIREMENT:**

Eligibility:

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

Benefit:

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.

**POST RETIREMENT INCREASES:**

Permanent benefit increases, previously referred to as cost of living adjustments, may be granted, with legislative approval, provided there are sufficient funds in the Experience Account to fully fund the increase on an actuarial basis. Beginning July 1, 2009, the Experience Account is credited with fifty percent of excess investment income above \$100,000,000. Excess investment income is investment income over the actuarial valuation rate of 8.25%. Balances in the Experience Account accrue interest at the average actuarial yield for the System portfolio. The Employee Experience Account balance is limited to the funds necessary to fund two benefit increases. The Experience Account is debited for the increase in actuarial accrued liability resulting from the increases.

If the actuarial rate of return for the prior fiscal year is at least 8.25%, the benefit increase is limited to the lesser of 3% or the increase in the CPI-U for the calendar year immediately preceding the increase. If the actuarial rate of return for the prior fiscal year is less than 8.25%, the benefit increase is limited to the lesser of 2% or the increase in the CPI-U for the calendar year immediately preceding the increase, provided the System is at least 80% funded. If the actuarial rate of return for the prior fiscal year is less than 8.25% and the System is not at least 80% funded, no increase can be granted.

Benefits are restricted to those retirees who have attained the age of 60 and have been retired for at least one year. The minimum age of 60 for the receipt of a benefit increase does not apply to disability retirees. The increase shall be based on the first seventy thousand dollars of the retiree's annual benefit, indexed annually for years after 1999.

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

Ten years of creditable service and certification of disability by medical board. (Medical examination may be required once per year for the first five years of disability retirement, and once every three 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.
- 2) 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 two years prior to date of death of a member with five years of service credit, two of which were earned immediately prior to death, or 20 years of service.
2. Surviving spouse, legally married one year prior to death, of a deceased member with 10 years of service credit, two 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 five years of service credit, two 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).

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

1. Greater of 75% of member's average compensation or \$300 per month.  
One-third of the benefit is designated for survivor, two-thirds 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. Ninety percent of the maximum retirement allowance to member; when member dies, fifty-five percent of the maximum retirement allowance continued to beneficiary.
- 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.

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

Automatic COLA Option – An increasing annuity option permits the member to make an irrevocable election at retirement to receive an actuarially reduced benefit which increases 2.5% annually. The increases begin on the first retirement anniversary date, but not before the retiree attains age 55 or would have attained age 55 in the case of a surviving spouse. This option can be chose in combination with the above options. (Per Act 270 of 2009, effective July 1, 2009).

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).

**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 third 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);
- (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.

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

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 subject to Corridor Limits of 80% to 120% of the Market Value of Assets.

**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 observation period for the most recent experience study was 2003-2008. The rates are projected separately for Regular Members, Corrections, Wildlife and Fisheries, and Judges. The current tables are illustrated at the end of this exhibit.

**MORTALITY ASSUMPTIONS:**

Pre-retirement deaths and post-retirement life expectancies are projected by attained age using the RP-2000 table, in accordance with the most recent Experience Study.



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

**DISABILITY ASSUMPTION:**

Rates of total and permanent disability are projected in accordance with the most recent Experience Study. The rates are based upon attained age. For mortality after disability, rates are based upon the RP-2000 disability table.

**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 service duration as follows:

	Regular Members	Correction & 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.

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

**FAMILY STATISTICS:**

The composition of the family is based upon Current Population Reports published by the United States Census Bureau. Seventy-five percent of the membership is assumed to be married. The wife is assumed to be three years younger than the husband. Sample rates for the assumed number of minor children are as follows:

Age of Member	Number of Minor Children	Years for Youngest Child to Attain Majority
25	1.2	17
30	1.4	15
35	1.7	13
40	1.7	10
45	1.4	8
50	1.1	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 of expenses, is assumed.

**ADMINISTRATIVE EXPENSES:**

Expenses are included in aggregate normal cost and are assumed to be \$16,800,000 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 previously granted cost-of-living raised are included in the retiree reserve.

STATE EMPLOYEES  
ACTUARIAL TABLES AND RATES

AGE	DEATH RATES		DISABILITY RATES	TERMINATION RATES	RETIREMENT RATES	DROP RATES	DUR	SALARY SCALE
	MALE	FEMALE						
18	0.00032	0.00019	0.0000	0.060	0.00	0.00	1	1.140
19	0.00033	0.00019	0.0000	0.180	0.00	0.00	2	1.090
20	0.00034	0.00019	0.0000	0.300	0.00	0.00	3	1.075
21	0.00036	0.00019	0.0000	0.270	0.00	0.00	4	1.070
22	0.00037	0.00019	0.0000	0.200	0.00	0.00	5	1.065
23	0.00037	0.00020	0.0000	0.200	0.00	0.00	6	1.060
24	0.00038	0.00020	0.0000	0.200	0.00	0.00	7	1.060
25	0.00038	0.00021	0.0000	0.200	0.00	0.00	8	1.060
26	0.00038	0.00021	0.0000	0.200	0.00	0.00	9	1.060
27	0.00038	0.00022	0.0000	0.180	0.00	0.00	10	1.055
28	0.00039	0.00024	0.0000	0.170	0.00	0.00	11	1.050
29	0.00041	0.00025	0.0000	0.160	0.00	0.00	12	1.050
30	0.00044	0.00026	0.0001	0.150	0.00	0.00	13	1.050
31	0.00050	0.00031	0.0001	0.150	0.00	0.00	14	1.050
32	0.00056	0.00035	0.0001	0.130	0.00	0.00	15	1.050
33	0.00063	0.00039	0.0001	0.120	0.00	0.00	16	1.045
34	0.00070	0.00043	0.0001	0.110	0.00	0.00	17	1.045
35	0.00077	0.00047	0.0002	0.140	0.00	0.00	18	1.045
36	0.00084	0.00051	0.0002	0.110	0.00	0.00	19	1.045
37	0.00090	0.00055	0.0007	0.100	0.00	0.00	20	1.045
38	0.00096	0.00060	0.0007	0.100	0.00	0.00	21	1.045
39	0.00102	0.00065	0.0008	0.100	0.00	0.00	22	1.043
40	0.00108	0.00071	0.0013	0.080	0.25	0.30	23	1.043
41	0.00114	0.00077	0.0020	0.080	0.25	0.30	24	1.043
42	0.00121	0.00085	0.0015	0.070	0.25	0.30	25	1.043
43	0.00130	0.00094	0.0020	0.060	0.25	0.30	26	1.043
44	0.00140	0.00103	0.0022	0.060	0.25	0.30	27	1.043
45	0.00151	0.00112	0.0022	0.050	0.25	0.30	28	1.043
46	0.00162	0.00122	0.0021	0.050	0.25	0.30	29	1.043
47	0.00173	0.00133	0.0030	0.050	0.25	0.30	30	1.043
48	0.00186	0.00143	0.0025	0.050	0.26	0.55	31	1.050
49	0.00200	0.00155	0.0032	0.050	0.21	0.50	32	1.050
50	0.00214	0.00168	0.0041	0.040	0.26	0.33	33	1.060
51	0.00245	0.00185	0.0052	0.040	0.30	0.28	34	1.060
52	0.00267	0.00202	0.0031	0.040	0.35	0.28	35	1.060
53	0.00292	0.00221	0.0045	0.040	0.34	0.28	36	1.060
54	0.00320	0.00242	0.0050	0.040	0.30	0.19	37	1.050
55	0.00362	0.00272	0.0040	0.040	0.26	0.45	38	1.050
56	0.00420	0.00309	0.0053	0.040	0.33	0.10	39	1.050
57	0.00469	0.00348	0.0045	0.040	0.31	0.05	40	1.050
58	0.00527	0.00392	0.0040	0.030	0.60	0.05	41	1.050
59	0.00594	0.00444	0.0001	0.030	0.30	0.05	42	1.050
60	0.00675	0.00505	0.0000	0.030	0.26	0.25	43	1.050
61	0.00768	0.00581	0.0000	0.030	0.24	0.04	44	1.050
62	0.00876	0.00666	0.0000	0.030	0.27	0.01	45	1.050
63	0.01001	0.00765	0.0000	0.030	0.51	0.01	46	1.050
64	0.01128	0.00862	0.0000	0.020	0.28	0.01	47	1.050
65	0.01274	0.00971	0.0000	0.020	0.30	0.01	48	1.050
66	0.01441	0.01095	0.0000	0.020	0.31	0.01	49	1.050
67	0.01607	0.01216	0.0000	0.020	0.23	0.01	50	1.050
68	0.01787	0.01345	0.0000	0.020	0.23	0.01	51	1.050
69	0.01980	0.01486	0.0000	0.020	0.25	0.01	52	1.050
70	0.02221	0.01674	0.0000	0.020	0.25	0.01	53	1.050
71	0.02457	0.01858	0.0000	0.020	0.25	0.01	54	1.050
72	0.02728	0.02067	0.0000	0.020	0.40	0.00	55	1.050
73	0.03039	0.02297	0.0000	0.020	0.50	0.00	56	1.050
74	0.03390	0.02546	0.0000	0.020	0.99	0.00	57	1.050

JUDGES  
ACTUARIAL TABLES AND RATES

AGE	DEATH RATES		DISABILITY RATES	TERMINATION RATES	RETIREMENT RATES	DROP RATES	DUR	SALARY SCALE
	MALE	FEMALE						
18	0.00032	0.00019	0.0000	0.000	0.00	0.00	1	1.055
19	0.00033	0.00019	0.0000	0.000	0.00	0.00	2	1.025
20	0.00034	0.00019	0.0000	0.000	0.00	0.00	3	1.030
21	0.00036	0.00019	0.0000	0.000	0.00	0.00	4	1.040
22	0.00037	0.00019	0.0000	0.000	0.00	0.00	5	1.030
23	0.00037	0.00020	0.0000	0.000	0.00	0.00	6	1.030
24	0.00038	0.00020	0.0000	0.000	0.00	0.00	7	1.040
25	0.00038	0.00021	0.0000	0.000	0.00	0.00	8	1.030
26	0.00038	0.00021	0.0000	0.000	0.00	0.00	9	1.030
27	0.00038	0.00022	0.0000	0.000	0.00	0.00	10	1.030
28	0.00039	0.00024	0.0000	0.000	0.00	0.00	11	1.035
29	0.00041	0.00025	0.0000	0.000	0.00	0.00	12	1.035
30	0.00044	0.00026	0.0002	0.005	0.00	0.00	13	1.035
31	0.00050	0.00031	0.0002	0.005	0.00	0.00	14	1.030
32	0.00056	0.00035	0.0002	0.005	0.00	0.00	15	1.030
33	0.00063	0.00039	0.0002	0.005	0.00	0.00	16	1.030
34	0.00070	0.00043	0.0002	0.005	0.00	0.00	17	1.030
35	0.00077	0.00047	0.0002	0.005	0.00	0.00	18	1.030
36	0.00084	0.00051	0.0002	0.005	0.00	0.00	19	1.030
37	0.00090	0.00055	0.0002	0.005	0.00	0.00	20	1.030
38	0.00096	0.00060	0.0002	0.005	0.00	0.00	21	1.030
39	0.00102	0.00065	0.0002	0.005	0.00	0.00	22	1.030
40	0.00108	0.00071	0.0002	0.005	0.00	0.00	23	1.030
41	0.00114	0.00077	0.0002	0.005	0.00	0.00	24	1.030
42	0.00121	0.00085	0.0002	0.009	0.00	0.00	25	1.030
43	0.00130	0.00094	0.0002	0.009	0.00	0.00	26	1.030
44	0.00140	0.00103	0.0002	0.009	0.00	0.00	27	1.030
45	0.00151	0.00112	0.0002	0.009	0.00	0.00	28	1.030
46	0.00162	0.00122	0.0002	0.009	0.00	0.00	29	1.030
47	0.00173	0.00133	0.0002	0.009	0.00	0.00	30	1.030
48	0.00186	0.00143	0.0002	0.009	0.00	0.00	31	1.030
49	0.00200	0.00155	0.0002	0.009	0.50	0.00	32	1.030
50	0.00214	0.00168	0.0002	0.009	0.50	0.00	33	1.030
51	0.00245	0.00185	0.0002	0.009	0.50	0.00	34	1.030
52	0.00267	0.00202	0.0002	0.009	0.50	0.50	35	1.030
53	0.00292	0.00221	0.0002	0.009	0.50	0.50	36	1.030
54	0.00320	0.00242	0.0002	0.009	0.35	0.50	37	1.030
55	0.00362	0.00272	0.0002	0.009	0.35	0.50	38	1.030
56	0.00420	0.00309	0.0002	0.009	0.35	0.20	39	1.030
57	0.00469	0.00348	0.0002	0.009	0.10	0.20	40	1.030
58	0.00527	0.00392	0.0002	0.005	0.10	0.20	41	1.030
59	0.00594	0.00444	0.0002	0.005	0.10	0.10	42	1.030
60	0.00675	0.00505	0.0002	0.005	0.10	0.07	43	1.030
61	0.00768	0.00581	0.0002	0.005	0.10	0.05	44	1.030
62	0.00876	0.00666	0.0002	0.000	0.10	0.05	45	1.030
63	0.01001	0.00765	0.0002	0.000	0.10	0.10	46	1.030
64	0.01128	0.00862	0.0002	0.000	0.10	0.10	47	1.030
65	0.01274	0.00971	0.0002	0.000	0.10	0.05	48	1.030
66	0.01441	0.01095	0.0002	0.000	0.10	0.05	49	1.030
67	0.01607	0.01216	0.0002	0.000	0.10	0.05	50	1.030
68	0.01787	0.01345	0.0002	0.000	0.10	0.05	51	1.030
69	0.01980	0.01486	0.0002	0.000	0.50	0.00	52	1.030
70	0.02221	0.01674	0.0000	0.000	0.99	0.00	53	1.030
71	0.02457	0.01858	0.0000	0.000	0.99	0.00	54	1.030
72	0.02728	0.02067	0.0000	0.000	0.99	0.00	55	1.030
73	0.03039	0.02297	0.0000	0.000	0.99	0.00	56	1.030
74	0.03390	0.02546	0.0000	0.000	0.99	0.00	57	1.030

CORRECTIONS  
ACTUARIAL TABLES AND RATES

AGE	DEATH RATES		DISABILITY RATES	TERMINATION RATES	RETIREMENT RATES	DROP RATES	DUR	SALARY SCALE
	MALE	FEMALE						
18	0.00032	0.00019	0.0000	0.100	0.00	0.00	1	1.150
19	0.00033	0.00019	0.0000	0.250	0.00	0.00	2	1.085
20	0.00034	0.00019	0.0000	0.290	0.00	0.00	3	1.070
21	0.00036	0.00019	0.0000	0.360	0.00	0.00	4	1.070
22	0.00037	0.00019	0.0000	0.310	0.00	0.00	5	1.065
23	0.00037	0.00020	0.0000	0.260	0.00	0.00	6	1.065
24	0.00038	0.00020	0.0000	0.250	0.00	0.00	7	1.065
25	0.00038	0.00021	0.0000	0.260	0.00	0.00	8	1.065
26	0.00038	0.00021	0.0000	0.250	0.00	0.00	9	1.065
27	0.00038	0.00022	0.0000	0.250	0.00	0.00	10	1.070
28	0.00039	0.00024	0.0000	0.180	0.00	0.00	11	1.070
29	0.00041	0.00025	0.0000	0.180	0.00	0.00	12	1.070
30	0.00044	0.00026	0.0002	0.180	0.00	0.00	13	1.070
31	0.00050	0.00031	0.0002	0.140	0.00	0.00	14	1.070
32	0.00056	0.00035	0.0003	0.140	0.00	0.00	15	1.065
33	0.00063	0.00039	0.0003	0.140	0.00	0.00	16	1.065
34	0.00070	0.00043	0.0004	0.140	0.00	0.00	17	1.065
35	0.00077	0.00047	0.0005	0.180	0.00	0.00	18	1.060
36	0.00084	0.00051	0.0006	0.100	0.00	0.00	19	1.060
37	0.00090	0.00055	0.0008	0.100	0.00	0.00	20	1.060
38	0.00096	0.00060	0.0010	0.100	0.00	0.00	21	1.060
39	0.00102	0.00065	0.0012	0.100	0.00	0.00	22	1.060
40	0.00108	0.00071	0.0013	0.090	0.60	0.00	23	1.060
41	0.00114	0.00077	0.0014	0.070	0.60	0.00	24	1.060
42	0.00121	0.00085	0.0015	0.070	0.60	0.00	25	1.060
43	0.00130	0.00094	0.0017	0.070	0.60	0.00	26	1.060
44	0.00140	0.00103	0.0017	0.070	0.60	0.00	27	1.060
45	0.00151	0.00112	0.0017	0.070	0.60	0.00	28	1.050
46	0.00162	0.00122	0.0030	0.070	0.60	0.00	29	1.050
47	0.00173	0.00133	0.0030	0.070	0.75	0.90	30	1.050
48	0.00186	0.00143	0.0030	0.070	0.75	0.50	31	1.040
49	0.00200	0.00155	0.0020	0.070	0.70	0.50	32	1.040
50	0.00214	0.00168	0.0020	0.070	0.70	0.50	33	1.040
51	0.00245	0.00185	0.0020	0.060	0.70	0.20	34	1.040
52	0.00267	0.00202	0.0020	0.060	0.70	0.15	35	1.040
53	0.00292	0.00221	0.0040	0.060	0.75	0.10	36	1.040
54	0.00320	0.00242	0.0070	0.060	0.75	0.07	37	1.040
55	0.00362	0.00272	0.0070	0.060	0.88	0.03	38	1.040
56	0.00420	0.00309	0.0070	0.060	0.70	0.05	39	1.040
57	0.00469	0.00348	0.0090	0.060	0.60	0.10	40	1.040
58	0.00527	0.00392	0.0070	0.060	0.70	0.05	41	1.040
59	0.00594	0.00444	0.0070	0.060	0.70	0.03	42	1.040
60	0.00675	0.00505	0.0000	0.060	0.25	0.03	43	1.040
61	0.00768	0.00581	0.0000	0.060	0.25	0.01	44	1.040
62	0.00876	0.00666	0.0000	0.060	0.25	0.01	45	1.040
63	0.01001	0.00765	0.0000	0.060	0.25	0.01	46	1.040
64	0.01128	0.00862	0.0000	0.060	0.25	0.01	47	1.040
65	0.01274	0.00971	0.0000	0.060	0.25	0.01	48	1.040
66	0.01441	0.01095	0.0000	0.060	0.25	0.01	49	1.040
67	0.01607	0.01216	0.0000	0.060	0.25	0.01	50	1.040
68	0.01787	0.01345	0.0000	0.060	0.25	0.00	51	1.040
69	0.01980	0.01486	0.0000	0.060	0.50	0.00	52	1.040
70	0.02221	0.01674	0.0000	0.000	0.99	0.00	53	1.040
71	0.02457	0.01858	0.0000	0.000	0.99	0.00	54	1.040
72	0.02728	0.02067	0.0000	0.000	0.99	0.00	55	1.040
73	0.03039	0.02297	0.0000	0.000	0.99	0.00	56	1.040
74	0.03390	0.02546	0.0000	0.000	0.99	0.00	57	1.040

WILDLIFE  
ACTUARIAL TABLES AND RATES

AGE	DEATH RATES		DISABILITY RATES	TERMINATION RATES	RETIREMENT RATES	DROP RATES	DUR	SALARY SCALE
	MALE	FEMALE						
18	0.00032	0.00019	0.0000	0.100	0.00	0.00	1	1.150
19	0.00033	0.00019	0.0000	0.100	0.00	0.00	2	1.170
20	0.00034	0.00019	0.0000	0.100	0.00	0.00	3	1.150
21	0.00036	0.00019	0.0000	0.100	0.00	0.00	4	1.120
22	0.00037	0.00019	0.0000	0.100	0.00	0.00	5	1.110
23	0.00037	0.00020	0.0000	0.100	0.00	0.00	6	1.100
24	0.00038	0.00020	0.0000	0.100	0.00	0.00	7	1.095
25	0.00038	0.00021	0.0000	0.070	0.00	0.00	8	1.095
26	0.00038	0.00021	0.0000	0.070	0.00	0.00	9	1.090
27	0.00038	0.00022	0.0000	0.070	0.00	0.00	10	1.090
28	0.00039	0.00024	0.0000	0.070	0.00	0.00	11	1.085
29	0.00041	0.00025	0.0000	0.070	0.00	0.00	12	1.085
30	0.00044	0.00026	0.0001	0.090	0.00	0.00	13	1.075
31	0.00050	0.00031	0.0010	0.090	0.00	0.00	14	1.065
32	0.00056	0.00035	0.0015	0.090	0.00	0.00	15	1.065
33	0.00063	0.00039	0.0020	0.090	0.00	0.00	16	1.065
34	0.00070	0.00043	0.0025	0.050	0.00	0.00	17	1.065
35	0.00077	0.00047	0.0030	0.030	0.00	0.00	18	1.065
36	0.00084	0.00051	0.0035	0.060	0.00	0.00	19	1.065
37	0.00090	0.00055	0.0040	0.060	0.00	0.00	20	1.065
38	0.00096	0.00060	0.0045	0.060	0.00	0.00	21	1.065
39	0.00102	0.00065	0.0050	0.030	0.00	0.00	22	1.065
40	0.00108	0.00071	0.0050	0.060	0.00	0.00	23	1.060
41	0.00114	0.00077	0.0050	0.060	0.00	0.00	24	1.060
42	0.00121	0.00085	0.0050	0.010	0.00	0.00	25	1.060
43	0.00130	0.00094	0.0050	0.010	0.00	0.00	26	1.060
44	0.00140	0.00103	0.0050	0.010	0.00	0.00	27	1.060
45	0.00151	0.00112	0.0050	0.010	0.00	0.00	28	1.060
46	0.00162	0.00122	0.0050	0.010	0.00	0.00	29	1.060
47	0.00173	0.00133	0.0050	0.010	0.50	0.00	30	1.060
48	0.00186	0.00143	0.0050	0.010	0.50	0.10	31	1.060
49	0.00200	0.00155	0.0050	0.010	0.50	0.10	32	1.060
50	0.00214	0.00168	0.0050	0.010	0.50	0.10	33	1.060
51	0.00245	0.00185	0.0050	0.010	0.50	0.10	34	1.060
52	0.00267	0.00202	0.0050	0.010	0.50	0.10	35	1.060
53	0.00292	0.00221	0.0050	0.010	0.50	0.10	36	1.060
54	0.00320	0.00242	0.0050	0.010	0.50	0.10	37	1.060
55	0.00362	0.00272	0.0050	0.010	0.50	0.10	38	1.060
56	0.00420	0.00309	0.0050	0.000	0.50	0.10	39	1.060
57	0.00469	0.00348	0.0050	0.000	0.50	0.10	40	1.060
58	0.00527	0.00392	0.0050	0.000	0.50	0.10	41	1.060
59	0.00594	0.00444	0.0050	0.000	0.50	0.10	42	1.060
60	0.00675	0.00505	0.0000	0.000	0.50	0.10	43	1.060
61	0.00768	0.00581	0.0000	0.000	0.50	0.10	44	1.060
62	0.00876	0.00666	0.0000	0.000	0.50	0.10	45	1.060
63	0.01001	0.00765	0.0000	0.000	0.50	0.10	46	1.060
64	0.01128	0.00862	0.0000	0.000	0.50	0.10	47	1.060
65	0.01274	0.00971	0.0000	0.000	0.99	0.00	48	1.060
66	0.01441	0.01095	0.0000	0.000	0.99	0.00	49	1.060
67	0.01607	0.01216	0.0000	0.000	0.99	0.00	50	1.060
68	0.01787	0.01345	0.0000	0.000	0.99	0.00	51	1.060
69	0.01980	0.01486	0.0000	0.000	0.99	0.00	52	1.060
70	0.02221	0.01674	0.0000	0.000	0.99	0.00	53	1.060
71	0.02457	0.01858	0.0000	0.000	0.99	0.00	54	1.060
72	0.02728	0.02067	0.0000	0.000	0.99	0.00	55	1.060
73	0.03039	0.02297	0.0000	0.000	0.99	0.00	56	1.060
74	0.03390	0.02546	0.0000	0.000	0.99	0.00	57	1.060

## Exhibit A-1

**AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY**  
**June 30, 2010**

<b>Date</b>	<b>Description</b>	<b>Amtz. Method</b>	<b>Amtz. Period</b>	<b>Initial Liability</b>	<b>Years Remain</b>	<b>Remaining Balance</b>	<b>Mid-Year Payment</b>
2010	OAB	Note 1	19	1,936,750,759	19	1,936,750,759	144,809,480
2010	EAAB	Note 2	30	2,493,227,298	30	2,493,227,298	164,967,811
2009	Change in Assumptions	L	30	(221,451,744)	29	(219,584,706)	(19,354,265)
2009	Change in Liability	L	30	1,381,087,874	29	1,369,444,048	120,703,230
2010	Change in Liability	L	30	630,583,407	30	630,583,407	55,111,232
<b>Plan Specific UAL</b>							
2007	Act 414 - Chg in Lia	L	30	3,631,308	27	3,531,677	317,366
2008	Act 262 - Chg in Lia	L	10	1,999,338	8	1,715,320	289,619
2008	Act 740 - Chg in Lia	L	10	565,160	8	484,875	81,868
2010	Act 992 - Chg in Lia	L	10	5,036,841	10	5,036,841	729,623
<b>Total Outstanding Balance</b>						<b>\$ 6,221,189,519</b>	<b>\$ 467,655,963</b>
<b>Employers Credit Balance</b>							
2006	Contribution Variance	L	5	29,394,615	1	6,845,861	7,122,657
2007	Contribution Variance	L	5	12,897,054	2	5,778,404	3,125,106
2008	Contribution Variance	L	5	(70,222,054)	3	(45,418,882)	(17,015,620)
2009	Contribution Variance	L	5	(13,861,476)	4	(11,510,446)	(3,358,797)
2010	Contribution Variance	L	5	74,727,281	5	74,727,281	18,107,289
<b>Total Credit Balance</b>						<b>\$ 30,422,218</b>	<b>\$ 7,980,635</b>
<b>Total Unfunded Actuarial Accrued Liability</b>						<b>\$ 6,251,611,737</b>	<b>\$ 475,636,598</b>

<sup>1</sup> Act 497 of 2009 created the Original Amortization Base, effective July 1, 2010, which combines the following schedules shown in Exhibit A-1: 1993 (Initial Liability) 1993 (Change in Liability), 1994, 1995, 1997, 1998, 2005, 2006, and 2007 (excluding schedules established to amortize liability resulting from Acts 414, 262, and 740). The new combined balance is reduced by applying funds from IUAL Account. Payment will increase by 6.5% for 1 year, 5.5% for 4 years, 5% for two years, and thereafter at 2% until paid off in 2029.

<sup>2</sup> Act 497 of 2009 created the Experience Account Amortization Base, which combines the following schedules shown in Exhibit A-1: 1996, 1999 – 2003, 2004 (the liability resulting from Act 588 of 2004 which zeroed out the experience account), and 2008. The new combined balance is reduced by applying funds from the sub-account of the IUAL Fund, which were transferred from the Experience Account on June 30, 2009. Payments will increase by 6.5% for 1 year, 5.5% for 4 years, 5% for two years, and level thereafter until paid off in 2040.

## Exhibit A-2

**AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY**  
**June 30, 2011 - Projected**

<b>Date</b>	<b>Description</b>	<b>Amtz. Method</b>	<b>Amtz. Period</b>	<b>Initial Liability</b>	<b>Years Remain</b>	<b>Remaining Balance</b>	<b>Mid-Year Payment</b>
2010	OAB	Note 1	19	1,936,750,759	18	1,945,868,193	154,222,096
2010	EAAB	Note 2	30	2,493,227,298	29	2,527,280,661	175,690,718
2009	Change in Assumptions	L	30	(221,451,744)	28	(217,563,634)	(19,354,265)
2009	Change in Liability	L	30	1,381,087,874	28	1,356,839,607	120,703,230
2010	Change in Liability	L	30	630,583,407	29	625,267,015	55,111,232
<b>Plan Specific UAL</b>							
2007	Act 414 - Chg in Lia	L	30	3,631,308	26	3,492,842	317,366
2008	Act 262 - Chg in Lia	L	10	1,999,338	7	1,555,505	289,619
2008	Act 740 - Chg in Lia	L	10	565,160	7	439,700	81,868
2010	Act 992 - Chg in Lia	L	10	5,036,841	9	4,693,256	729,623
<b>Total Outstanding Balance</b>						<b>\$ 6,247,873,145</b>	<b>\$ 487,791,487</b>
<b>Employers Credit Balance</b>							
2007	Contribution Variance	L	5	12,897,054	1	3,003,660	3,125,106
2008	Contribution Variance	L	5	(70,222,054)	2	(31,462,334)	(17,015,620)
2009	Contribution Variance	L	5	(13,861,476)	3	(8,965,456)	(3,358,797)
2010	Contribution Variance	L	5	74,727,281	4	62,052,868	18,107,289
2011	Contribution Variance	L	5	85,590,564	5	85,590,564	20,739,589
<b>Total Credit Balance</b>						<b>\$ 110,219,302</b>	<b>\$ 21,597,567</b>
<b>Total Unfunded Actuarial Accrued Liability</b>						<b>\$ 6,358,092,447</b>	<b>\$ 509,389,054</b>

<sup>1</sup> Act 497 of 2009 created the Original Amortization Base, effective July 1, 2010, which combines the following schedules shown in Exhibit A-1: 1993 (Initial Liability) 1993 (Change in Liability), 1994, 1995, 1997, 1998, 2005, 2006, and 2007 (excluding schedules established to amortize liability resulting from Acts 414, 262, and 740). The new combined balance is reduced by applying funds from IUAL Account. Payment will increase by 6.5% for 1 year, 5.5% for 4 years, 5% for two years, and thereafter at 2% until paid off in 2029.

<sup>2</sup> Act 497 of 2009 created the Experience Account Amortization Base, which combines the following schedules shown in Exhibit A-1: 1996, 1999 – 2003, 2004 (the liability resulting from Act 588 of 2004 which zeroed out the experience account), and 2008. The new combined balance is reduced by applying funds from the sub-account of the IUAL Fund, which were transferred from the Experience Account on June 30, 2009. Payments will increase by 6.5% for 1 year, 5.5% for 4 years, 5% for two years, and level thereafter until paid off in 2040.