

For Immediate Release

October 6, 2020

LASERS Assets Increase for 11th Year, New Discount Rate Adopted

Baton Rouge— The Louisiana State Employees' Retirement System (LASERS) actuarial value of assets grew to \$12.6 billion, an increase of \$9.3 million from the prior year, as reported in the annual valuation for the fiscal year ending June 30, 2020. This is the eleventh consecutive year that actuarial assets have increased for the System. On September 24, the LASERS Board of Trustees accepted the valuation report, which reflected other positive news for the retirement system and the State of Louisiana.

The LASERS Board made important conservative assumption changes, further enhancing the ongoing sustainability and financial soundness of the System. A three-step discount rate reduction was approved, changing the current rate from 7.55 percent to a projected rate of 7.4 percent, which goes beyond the originally planned projected rate of 7.5 percent. The lowered discount rate is expected to increase investment gains and the greater likelihood of future cost-of-living adjustments for retirees. Other positive outcomes include a lowered inflation assumption from 2.5 percent to 2.3 percent.

"The decision by the LASERS Board to take a three-step discount rate reduction is significant for the future of the System and the State of Louisiana," LASERS Executive Director Cindy Rougeou said. "While making these meaningful changes, we still expect the state to pay a half million dollars less in employer contributions than they ultimately owed for the prior fiscal year. The reduced cost is a reflection of legislative reforms and level debt payments."

The 2020 valuation report also reflected LASERS funded ratio has continued to increase over the last 10 years, and that the Unfunded Accrued Liability (UAL), or debt owed to the System by the State of Louisiana, remained flat. There is also consistency in the number of active and retired members in the System.

For the fifth consecutive year, the employer cost of benefits being earned by current employees decreased to 2.35 percent of payroll, which should be compared to the 6.2 percent the State would be required to pay if employees were enrolled in Social Security. Employees in LASERS pay nearly 77 percent of the cost of their earned benefits.

Read the complete [2020 Actuarial Valuation](#) on the LASERS website.

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