

**LOUISIANA STATE EMPLOYEES'
RETIREMENT SYSTEM
JUNE 30, 1995
ACTUARIAL VALUATION**

HALL ACTUARIAL ASSOCIATES

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October 13, 1995

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, 1995.

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 certified by Postlethwaite & Netterville, Certified Public Accountants.

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

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

	<u>June 30, 1995</u>	<u>-----Prior Years-----</u>	
		<u>June 30, 1994</u>	<u>June 30, 1993</u>
I. Membership Census			
1) Retirees	27,761	27,093	25,887
2) Actives	66,628	68,966	68,463
3) DROP	1,453	1,072	521
II. Annual Benefits	\$ 272,435,493	\$ 265,438,765	\$ 258,006,601
III. Total Payroll	1,547,977,166	1,546,464,828	1,504,147,368
IV. Valuation Assets	3,612,628,700	3,311,602,209	3,044,726,905
V. Experience Account	61,772,504	37,627,187	26,706 597
VI. Investment Yield			
Realized Income	9.67%	7.95%	6.38%
Actuarial Value	9.49%	8.88%	8.05%
VII. Cost to Fund Annual Pension Accruals (Normal Costs)	211,033,659 13.63%	206,164,105 13.33%	199,518,564 13.26%
VIII. Unfunded Actuarial Accrued Liability	2,084,280,556	2,055,792,343	2,078,682,672
IX. Funded Percentage	64.35%	61.95%	59.43%
X. Funding Requirements to Pay (Mid-year Payment)			
1) Employee Contribution Rate	122,450,384 7.661%	122,398,135 7.664%	119,469,491 7.689%
2) Employer Contribution Rate - Current Year	197,339,946 12.3%	192,613,268 12.0%	186,691,176 12.0%
3) Projected Employer Contribution - Next Year	207,388,984 12.4%	201,195,093 12.0%	196,748,840 11.9%

The above funding requirements measure the cost of benefits that were in effect on June 30, 1995, plus Acts of the 1995 Legislative Session which have prospective effects on current active members.

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Current Funding

The Actuarial Valuation for the plan year ending June 30, 1995 discloses a general 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 expressed as a percentage of payroll. Act 81 of the 1988 Legislative Session provides for the amortization of the initial UAL, plus subsequent changes in benefits, methods or gain/loss experience.

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

CHANGE IN UNFUNDED LIABILITY

Unfunded Liability 6/30/94 \$ 2,055,792,209

INCREASES

Interest on Unfunded Liability	\$ 169,602,857
Experience Account Allocation	20,574,083
Texaco Reallocation	<u>38,970,000</u>
Incurred Increases	229,146,940

DECREASES

Employer Credit	7,118,810
Investment Gains	41,148,166
Employer Amtz. Payment	115,139,428
Experience Gain	<u>37,252,189</u>
Incurred Decreases	200,658,593

Unfunded Liability 6/30/95 \$ 2,084,280,556

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The employer contribution rate established by the Actuarial Forecast Committee for the 1995-1996 plan year was 12.0%. The actual employer contribution rates determined by this valuation for the current plan year is 12.3% when adjusted for the prior year's employer credit. The current adjusted rate represents a stabilized rate in the required employer's contributions when compared to the projected rates. Since the contribution rate is affected by many factors, the following sections address the source and respective impact to the required employer contribution rate.

Investment Experience

The investment yield on the actuarial value of assets during the last five (5) years has been as follows for plan years ending June 30:

<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>5 Yr. Aver.</u>
10.0%	10.40%	8.05%	8.88%	9.49%	9.67%

The net actuarial rate of return assumed in the valuation was 8.25%. For the plan year ending June 30, 1995 the net yield to Actuarial Assets was greater than the long term Actuarial Investment Assumption used to project benefits. The result was a net investment experience gain of \$41,148,166 in excess of valuation investment income.

Act 572 of 1992 establishes the Experience Account. Each year the fund is credited/debited with 50% of the net investment experience gain/loss together with interest on the beginning account balance for the purpose of granting cost-of-living benefits for retirees. This year, \$20,574,083 will be added to the Experience Account with a like amount used to decrease future employer contributions.

Act 257 of 1992 as amended requires this investment gain to be amortized over the later of the year 2029 or a fifteen year period as a 4.5% increasing annuity. Therefore, as a result of the shared investment experience gain, the employer's contribution will be decreased by \$2,123,500 during the next 34 years. This amortization debit represents a .13% decrease in the rate projected by the Actuarial Forecast Committee.

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 the later of the year 2029 or a fifteen year period to make a mid-course adjustment in future funding requirements. During the 1994-1995 plan year, the system incurred a \$37,252,189 plan experience gain. This gain will decrease the employer's contribution by \$1,922,444 during the next 34 years and represents a .12% decrease in the rate projected by the Actuarial Forecast Committee.

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Funding as a Percentage of Payroll

The funding requirements mandated by Act 81 require the employee to contribute 7.5% of payroll for the plan year beginning in 1989. The employer will pay a percentage of the normal cost plus a dollar amount sufficient to amortize the unfunded liability over a 40 year period. However, in no event can the employer contribution rate drop below 12% without regard to employer credits without a corresponding adjustment to the employee contribution rate. To convert the dollar amortization payment to a percentage of payroll would suggest that the aggregate employer contribution rate would remain level as a percentage of pay provided aggregate salaries increase in unison with the rate of increase in annuity payments. This would imply that aggregate salaries should increase at a rate of at least 4.5% during the next thirty-four (34) years. To determine whether this is a reasonable expectation, aggregate salary growth during the past seven (7) years is illustrated as follows:

<u>June 30</u>	<u>Payroll/\$1000</u>	<u>Percent Increase</u>
1989	1,141,080	2.7%
1990	1,226,065	7.4%
1991	1,368,480	11.6%
1992	1,454,370	6.3%
1993	1,504,147	6.2%
1994	1,546,465	5.7%
1995	1,547,977	0.1%

During the last six (6) years the aggregate salaries have increased at an annualized rate of 5.2%. If this trend continues during the next six (6) years the percentage of pay required to amortize the unfunded liability can be expected to slightly decrease in the absence of other experience gains or losses.

Comments and Disclosures

Exhibit 3 "Pension Accounting and Financial Disclosure" contains the ten (10) year comparative statistical studies required by the Governmental Accounting Standards Board.

Finally, the actuarial disclosure form required by the Actuarial Department of the Legislative Auditor's office (see Exhibit 7) makes specific provisions for the determination of whether or not a retirement system is systematically approaching the targeted funding ratio.

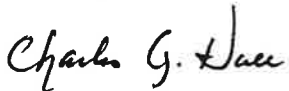
This is an important consideration for both retired members and members of the Board of Trustees. The Board is specifically prohibited from granting a cost-of-living raise in the absence of the Experience Account Fund to retirees and survivors by Act 256 of the 1986 regular legislative session unless the system has met the Funding Target.

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For the plan year ending June 30, 1995 the funding target is .68539, which is greater than the current .63414 funding ratio. Therefore, the Board is prohibited from granting a cost-of-living increase by statute.

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,



Charles G. Hall, FCA, MAAA, ASA
Actuary

CGH/tt

Enclosure

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EXHIBIT 1

**DEVELOPMENT
OF
COSTS, LIABILITIES AND CONTRIBUTIONS**

Normal Costs and Accrued Liabilities are calculated in accordance with the Projected Unit Credit Cost Method, and the Actuarial Assumptions outlined in Exhibit 6 based on the Provisions of the Plan as summarized in Exhibit 5.

		<u>June 30, 1995</u>		<u>---Prior Year---</u> <u>June 30, 1994</u>	
		<u>Dollar</u>	<u>% of</u>	<u>Dollar</u>	<u>% of</u>
		<u>Amount</u>	<u>Salary</u>	<u>Amount</u>	<u>Salary</u>
I. Normal Costs					
(to fund annual pension accruals)					
Active Members with Complete Data					
a)	Retirement Benefits	\$ 161,043,861	10.40%	\$ 156,803,491	10.14%
b)	Disability Benefits	7,904,954	.51%	7,830,777	.51%
c)	Survivor Benefits	9,113,630	.59%	8,427,396	.54%
d)	Voluntary Termination	28,171,214	1.82%	28,302,441	1.83%
e)	Expenses	<u>4,800,000</u>	<u>.31%</u>	<u>4,800,000</u>	<u>.31%</u>
	TOTAL	211,033,659	13.63%	206,164,105	13.33%
II. Actuarial Accrued Liability					
a)	Active Members				
1)	Retirement Benefits	2,517,642,065		2,395,938,996	
2)	Disability Benefits	105,991,467		101,706,264	
3)	Survivor Benefits	102,443,088		91,272,611	
4)	Voluntary Termination	176,500,218		168,734,778	
5)	DROP Deposits	<u>19,761,262</u>		<u>438,362</u>	
		2,922,338,100		2,758,091,011	
b)	Retired and Inactive Members				
1)	Regular Retirees	1,933,411,032		1,906,069,761	
2)	Disabled Retirees	71,029,951		65,764,041	
3)	Survivors	309,778,100		299,249,108	
4)	Vested Deferred	34,489,662		27,121,259	
5)	Contributions Refunded	11,668,740		8,468,462	
6)	DROP Deferral	299,391,599		233,495,260	
7)	DROP Deposits	<u>37,593,217</u>		<u>31,679,790</u>	
		2,697,362,301		2,571,847,681	
c)	SUB TOTAL	5,619,700,401		5,329,938,692	

Exhibit 1 (Continued)

Costs, Liabilities & Contributions

	<u>June 30, 1995</u>	<u>---Prior Year---</u> <u>June 30, 1994</u>
II. Actuarial Accrued Liability		
c) SUB TOTAL (Preceding page)	\$ 5,619,700,401	\$ 5,329,938,692
d) Adjustments to Regular Plan		
1) Active Judges	69,144,367	66,765,210
2) Active Legislators	<u>8,064,488</u>	<u>6,690,650</u>
Adjusted TOTAL	5,696,909,256	5,403,394,552
III. Valuation Assets	3,612,628,700	3,311,602,209
IV. Unfunded Actuarial Accrued Liabilities - Projected Unit Credit*		
	2,084,280,556	2,091,792,343
a) Change over prior year	(7,511,787)	(22,890,329)
b) Funded Percentage	64.3%	61.95%
V. Employer Contributions To Fund Current Plan Year*		
a) Employer Portion of Normal Cost	<u>90,495,714</u>	85,553,023
b) Amortization Payments	109,959,621	108,450,663
c) Prior Contribution Variance	<u>(3,115,389)</u>	<u>(1,390,418)</u>
TOTAL Required Contribution	197,339,946	192,613,268
	12.3%	12.0%
Plus State Appropriation	3,766,986	3,604,711
Actuarial Forecast Rate**	12.0%	11.9%
VI. Projected Employer Contributions To Fund Next Plan Year*		
a) Employer Portion of Normal Cost	94,774,749	89,641,695
b) Amortization Payments	114,520,742	112,943,816
c) Prior Contribution Variance	<u>(1,906,507)</u>	<u>(1,390,418)</u>
TOTAL Projected Contribution	207,388,984	201,195,093
	12.4%	12.0%
Plus State Appropriation	3,936,500	3,766,986
VII. Current Payroll		
Projected Payroll - Mid Year	<u>1,547,977,166</u>	1,546,464,828
Projected Payroll - Next Year	<u>1,598,360,324</u>	1,597,053,170
	<u>1,673,937,824</u>	1,673,378,080

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

**Constitutional Minimum is 12% without regards to Employer Credits.

EXHIBIT 2

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

	<u>June 30, 1995</u>	-----Prior Years----- <u>June 30, 1994</u>	<u>June 30, 1993</u>
<u>OPERATING REVENUES:</u>			
1. Contribution Income			
Member	\$ 123,370,058	\$ 118,255,907	\$ 114,443,629
Employer	191,640,907	183,608,465	177,407,603
2. Other Income			
Legislative Appropriations	3,604,770	3,449,541	3,301,000
Miscellaneous	8,527,568	4,611,685	6,118,816
Texaco Settlement	<u>13,817,572</u>	<u>36,000,000</u>	<u>N/A</u>
TOTAL CONTRIBUTIONS	340,960,875	345,925,598	301,271,048
3. Investment Income			
Realized Income	326,010,399	246,845,710	186,157,194
Less, investment expenses	<u>-9,006,271</u>	<u>-8,358,479</u>	<u>-6,754,812</u>
TOTAL INVESTMENT INCOME	317,004,128	238,487,231	179,402,382
4. Total Revenues	657,965,003	584,412,829	480,673,430
<u>OPERATING EXPENSES:</u>			
1. General Administration	4,740,662	4,787,926	4,307,150
Other Expenses	1,724,914	936,571	395,774
2. Benefits Paid			
a) Pension Benefits	288,641,870	275,503,281	261,822,720
b) Return of Contrib.	<u>25,072,191</u>	<u>23,955,748</u>	<u>21,720,224</u>
3. Total Operating Expenses	320,179,637	305,183,526	288,245,868
<u>NET INCOME:</u>	337,785,366	279,229,303	192,427,562

EXHIBIT 2 (Continued)
Financial Summary

FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING

	<u>June 30, 1995</u>	<u>June 30, 1994</u>	<u>June 30, 1993</u>
ASSETS:			
1. Short Term Assets			
Cash in Banks	\$ 4,251,287	\$ 5,538,400	\$ 11,660,282
Commercial/Certificates	364,705,647	363,431,594	199,965,382
Securities	0	0	0
2. Bonds (at amortized cost)			
U.S. Government Agency	99,505,559	166,015,523	83,337,760
United States Issues	475,445,160	506,772,432	684,080,124
Corporate Issues	911,865,841	609,329,060	470,188,772
Long Term/Financial	329,770,665	304,739,570	286,151,141
3. Equities			
Common Stock	848,989,483	899,841,092	813,304,346
Foreign Stock	325,379,577	321,319,617	311,270,137
Preferred Stock	3,549,218	7,208,424	10,051,742
Fixed Assets	6,236,436	6,653,043	5,581,342
Mortgages - Real Estate	110,561,776	105,198,309	103,032,658
4. Receivables - Payables	<u>132,794,018</u>	<u>(20,777,761)</u>	<u>17,416,312</u>
TOTAL ASSETS			
Equities at Cost	3,613,054,668	3,275,269,303	2,996,039,998
Equities at Market	3,820,111,450	3,421,627,795	3,229,361,411
Market Value	3,789,451,813	3,286,667,495	3,238,127,283
RATIO: ASSETS/EXPENSES:	11.28	10.73	10.20
INVESTMENT YIELD:			
Realized Income	9.67%	7.95%	6.38%
Yield to Actuarial Value	9.49%	8.88%	8.05%
Five Year Actuarial Value	9.67%	9.52%	9.75%
Yield to Market Value	14.66%	0.25%	9.60%
DROP Account Yield	8.99%	8.38%	7.55%

EXHIBIT 2 (Continued)
Financial Summary

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

	<u>June 30, 1995</u>	<u>-----Prior Years-----</u>	
		<u>June 30, 1994</u>	<u>June 30, 1993</u>
<u>ACTUARIAL VALUE OF ASSETS:</u>			
TOTAL ASSETS	\$ 3,820,111,451	\$ 3,421,627,795	\$ 3,229,361,411
Change in Unrealized (G/L)			
Plan Year - 2 (wt. 1/4)	167,766,189	62,857,846	2,697,378
Plan Year - 1 (wt. 2/4)	(84,265,543)	167,766,189	62,857,846
Plan Year (wt. 3/4)	<u>123,556,136</u>	<u>(84,265,543)</u>	<u>167,766,189</u>
Actuarial Value of Assets	3,727,635,572	3,385,229,396	3,071,433,502

TEXACO SETTLEMENT FUND:

Prior Year Ending Balance	36,000,000	0	N/A
Current Year Allocation	13,817,572	36,000,000	N/A
Accumulated Interest	<u>3,416,796</u>	<u>0</u>	<u>N/A</u>
Fund Balance - Year End	53,234,368	36,000,000	N/A

EXPERIENCE ACCOUNT FUND:

Prior Year Ending Balance	37,627,187	26,706,597	27,274,847
Experience Account Allocation	20,574,083	8,548,243	(2,765,143)
Benefit Disbursements	0	0	0
Accumulated Interest	<u>3,571,234</u>	<u>2,372,347</u>	<u>2,196,893</u>
Fund Balance - Year End	61,772,504	37,627,187	26,706,597

**DEVELOPMENT OF ACTUARIAL
VALUATION ASSETS**

Total Actuarial Value of Assets Adjusted for:	3,727,635,572	3,385,229,396	3,071,433,502
Texaco Settlement Fund	-53,234,368	-36,000,000	N/A
Experience Account Fund	<u>-61,772,504</u>	<u>-37,627,187</u>	<u>-26,706,597</u>
Valuation Assets	3,612,628,700	3,311,602,209	3,044,726,905

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. GASB is the successor organization to the National Council on Governmental Accounting. The following disclosures and statistical tables are in accordance with the NCGA's Statement No. 6.

	<u>June 30, 1995</u>		<u>June 30, 1994</u>	
	<u>Dollar Amt.</u>	<u>% of Payroll</u>	<u>Dollar Amt.</u>	<u>% of Payroll</u>
Actuarial Present Value of projected benefits for:				
1) Retirees & Beneficiaries	\$2,651,203,899	171%	\$2,536,257,960	164%
2) Terminated vested members	<u>46,158,402</u>	<u>3%</u>	<u>35,589,721</u>	<u>2%</u>
TOTAL	2,697,362,301	174%	2,571,847,681	166%
Actuarial Present Value of Credited Projected Benefits for active members:				
1) Member Contributions	886,864,495	57%	839,157,422	54%
2) Employer Contributions				
Vested Portion	1,748,809,378	113%	1,624,134,547	105%
Non-vested Portion	<u>363,873,082</u>	<u>24%</u>	<u>368,254,902</u>	<u>22%</u>
TOTAL	2,999,546,955	194%	2,831,546,871	183%
Total Actuarial Present Value of Credited Projected Benefits	5,696,909,256	368%	5,403,394,552	349%

The total actuarial present value of credited projected benefits increased by \$293,514,704 from June 30, 1994 to June 30, 1995. There were no significant changes in benefit provisions during the year. There was a net experience gain of \$57,826,272 after allocating \$20,574,083 of investment income to the Experience Account in accordance with Act 572.

EXHIBIT 3 (Continued)

Pension Accounting & Financial Disclosure

STATISTICAL DATA

**Comparative Summary of Net Assets Available for Benefits
and
Total Actuarial Present Value of Credited Projected Benefits**

<u>Fiscal Year</u>	<u>Net Assets Available for Benefits</u>	<u>Total Actuarial Present Value of Credited Projected Benefits*</u>	<u>Percentage Funded</u>
1986	1,715,788,614	3,209,233,411	53.5
1987*	1,874,257,838	3,564,219,401	52.6
1988	2,019,831,530	3,845,252,565	52.5
1989	2,173,401,501	4,021,932,977	54.0
1990	2,321,259,028	4,210,106,529	55.1
1991	2,516,742,397	4,499,312,330	55.9
1992	2,802,666,924	4,884,508,774	57.4
1993	3,044,726,905	5,123,409,577	59.4
1994	3,347,602,209	5,403,394,552	61.9
1995	3,665,863,068	5,696,909,256	64.3

Analysis of the percentage funded over a period of years will give a relative indication of the financial strength of the Louisiana State Employees' Retirement System.

*Credited Projected Benefits were calculated beginning with the June 30, 1987 Actuarial valuation in accordance with The National Council on Governmental Accounting Statement No. 6. Prior to 1987, "Entry Age Normal" accrued benefits are illustrated.

EXHIBIT 3 (Continued)

Pension Accounting & Financial Disclosure

STATISTICAL DATA

Comparative Summary of Unfunded Actuarial Present Value
of Credited Projected Benefits
and
Annual Active Member Payroll

<u>Fiscal Year</u>	<u>Unfunded Actuarial Present Value of Credited Projected Benefits*</u>	<u>Annual Active Member Payroll</u>	<u>Percentage Payroll</u>
1986	1,493,444,797	1,136,202,813	131.4
1987*	1,689,961,563	1,093,997,409	154.5
1988	1,825,421,035	1,111,015,208	159.0
1989	1,848,531,476	1,141,080,541	162.0
1990	1,888,847,501	1,226,065,067	154.1
1991	1,982,569,933	1,368,479,924	144.9
1992	2,081,841,850	1,454,370,594	143.1
1993	2,078,682,672	1,504,147,368	138.2
1994	2,055,792,343	1,546,464,828	132.9
1995	2,031,046,188	1,547,977,166	131.2

*Unfunded Actuarial Present Value of Credited Projected Benefits were calculated beginning with the June 30, 1987 Actuarial Valuation in accordance with The National Council on Governmental Accounting Statement No. 6. Prior to 1987, "Entry Age Normal" unfunded actuarial liabilities are illustrated.

EXHIBIT 3 (Continued)

Pension Accounting & Financial Disclosure

STATISTICAL DATA

**Comparative Summary of Actuarial Values and
Percentage Covered by Net Assets Available for Benefits
(in million of dollars)**

Actuarial Present Value of Credited Projected Benefits* for

	(1)	(2)	(3)	(4)		Percentage Covered			
	Retirees	Terminated	Current	Actives	Net Assets	by Net Assets			
	and	Vested	Member.	Empl'yr.	Available				
Fiscal	Survivors	Members	Contr.	Contr.	for Benefits	(1)	(2)	(3)	(4)
Year									
1987	2202.2	31.6	494.0	836.4	1874.3	85.1	0.	0.	0.
1988	2017.7	34.6	539.1	1,253.8	2019.8	100.	6.1	0.	0.
1989	2164.7	23.8	574.3	1,259.1	2173.4	100.	100.	36.6	0.
1990	2088.0	20.2	615.4	1,486.4	2321.2	100.	100.	34.6	0.
1991	2155.5	17.9	674.2	1,651.6	2516.7	100.	100.	50.9	0.
1992	2307.6	28.1	728.9	1,819.8	2802.7	100.	100.	64.1	0.
1993	2340.3	30.3	790.6	1,962.2	3044.7	100.	100.	85.3	0.
1994	2536.3	35.6	839.2	1,992.3	3347.6	100.	100.	92.4	0.
1995	2651.2	46.1	886.9	1,785.1	3665.9	100.	100.	91.6	0.

*Actuarial Present Value of Credited Projected Benefits were calculated beginning with the June 30, 1987 Actuarial Valuation in accordance with The National Council on Governmental Accounting Standard No. 6. Prior to 1987, "Entry Age Normal" accrued benefits were calculated but are not illustrated.

EXHIBIT 3 (Continued)

Pension Accounting & Financial Disclosure

STATISTICAL DATA

**COMPARATIVE SUMMARY OF REVENUES BY SOURCE
AND EXPENSES BY TYPE**

Revenues by Source

<u>Fiscal Year</u>	<u>Members Contribution</u>	<u>Employer Contribution</u>	<u>Investment Income</u>	<u>Total</u>
1986	83,300,765	124,935,186	183,191,469	391,427,420
1987	80,984,576	121,880,055	183,843,426	386,708,057
1988	81,197,631	125,430,030	160,911,687	375,065,821
1989	81,925,366	134,314,360	181,179,170	397,418,896
1990	92,339,927	99,536,184	206,633,219	398,509,330
1991	104,020,927	149,859,389	225,267,421	479,147,276
1992	110,481,391	214,125,413	273,259,377	598,259,377
1993	114,443,629	186,827,419	179,402,382	480,673,430
1994	118,255,907	227,669,691	238,487,231	584,412,829
1995	123,370,058	217,590,817	317,004,128	657,965,003

Expenses by Type

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Refunds</u>	<u>Administrative Expenses*</u>	<u>Total</u>
1986	175,141,258	19,929,641	1,379,097	196,449,996
1987	202,019,494	24,736,748	1,482,591	226,756,242
1988	223,013,862	24,792,168	1,904,259	249,710,289
1989	228,603,084	32,548,038	2,267,848	263,418,970
1990	234,066,890	26,880,996	2,577,670	263,525,556
1991	240,622,226	22,955,119	3,145,390	266,722,735
1992	250,765,789	23,820,931	3,494,170	278,080,890
1993	261,822,720	21,720,224	4,702,924	288,245,868
1994	275,503,281	23,955,748	5,724,497	305,183,526
1995	288,641,870	25,072,191	6,465,576	320,179,637

*Includes other expenses incurred not directly related to the administration of daily operation.

EXHIBIT 4

CENSUS DATA

GENERAL COMMENTS

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 data base. Prior to processing, suspicious data and data containing errors were purged from the data base and processed separately based on the following error types:

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

There were numerous records purged from the data base containing errors or categorized as suspicious data which is not necessarily significant. These records had the basic characteristic of a terminated non-vested participant which have balances of \$50 or less in their accumulated employee contribution account. Suspicious data are not necessarily errors, but data which falls outside the parameters of the editing process for further checking. There were 20,763 records for terminated non-vested members due a refund. Finally, 1,537 terminated vested members and Reciprocal Recognition records were purged as data in error. These participants were assumed to possess the same characteristics as the participants with "good data" in the same cohort.

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:

	---1995---	---1994---
	<u>Census</u>	<u>Census</u>
Active Members	66,628	68,966
Regular Retirees	20,671	20,407
Disability Retirees	1,056	994
Survivors	4,497	4,344
Vested & Reciprocals	1,537	1,348
Due Refunds	20,763	18,551
DROP Participants	<u>1,453</u>	<u>1,072</u>
TOTAL	116,605	115,682

HALL ACTUARIAL ASSOCIATES

MEMBERSHIP PROFILE CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
ACTIVE REGULAR MEMBERS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/95

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	:	Total :
[0 - 19) :	211	66	0	0	0	0	0	0	0	:	277 :
:	1132083	797524	0	0	0	0	0	0	0	:	1929607 :
:										:	
[20 - 24) :	1009	1127	5	0	0	0	0	0	0	:	2141 :
:	8394466	17588402	84867	0	0	0	0	0	0	:	26067735 :
:										:	
[25 - 29) :	1341	3504	635	91	0	0	0	0	0	:	5571 :
:	12381479	69081542	12072418	1650671	0	0	0	0	0	:	95186110 :
:										:	
[30 - 34) :	1080	3261	1780	1701	273	1	1	2	0	:	8099 :
:	10531143	66781471	40632019	37635156	6323933	19703	36712	27042	0	:	161987178 :
:										:	
[35 - 39) :	1146	3119	1657	2591	2232	157	0	0	2	:	10904 :
:	12416875	66395671	38033197	66936961	58439847	4196818	0	0	25574	:	246444944 :
:										:	
[40 - 44) :	787	2666	1577	1971	2601	1599	84	0	1	:	11286 :
:	8104082	58544970	36937441	51952779	77658034	48418821	2355454	0	42264	:	284013844 :
:										:	
[45 - 49) :	580	1933	1309	1500	1814	1974	847	34	2	:	9993 :
:	6029786	42724175	31513541	39543552	51615038	64500761	26957794	1218747	58642	:	264162035 :
:										:	
[50 - 54) :	289	1123	845	974	1113	1048	987	187	6	:	6572 :
:	2970055	24808894	19834607	24418783	30638678	30785201	32877273	6267142	164462	:	172765094 :
:										:	
[55 - 59) :	114	625	586	726	850	729	285	124	20	:	4059 :
:	1314151	14078952	14208542	19060240	22744510	20029521	8432489	4153261	599423	:	104621090 :
:										:	
[60 - 64) :	22	207	318	352	376	250	129	52	35	:	1741 :
:	346730	5355350	7860931	10042509	9890830	6526721	3855125	1655546	1169107	:	46702848 :
:										:	
[65 - 69) :	9	17	75	107	93	64	42	13	7	:	427 :
:	92634	584482	1897076	2965745	2482609	1937676	1188057	442481	224981	:	11815741 :
:										:	
[70 - 74) :	0	8	3	52	54	41	21	6	12	:	197 :
:	0	250772	65110	1224834	1423439	1055954	636947	189552	344035	:	5190643 :
:										:	
Total :	6588	17656	8790	10065	9406	5863	2396	418	85	:	61267 :
Total :	63713484	366992204	203139749	255431231	261216917	177471176	76339850	13953770	2628488	:	1420886870 :

AVERAGES : Attained Age 41.86
 Service Years 10.14
 Active Salary 23,192

HALL ACTUARIAL ASSOCIATES

MEMBERSHIP PROFILE CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
ACTIVE LEGISLATORS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/95

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	:	Total :
[0 - 19) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:										:	:
[20 - 24) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:										:	:
[25 - 29) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:										:	:
[30 - 34) :	1	4	3	0	0	0	0	0	0	:	8 :
:	11677	102825	96500	0	0	0	0	0	0	:	211002 :
:										:	:
[35 - 39) :	0	7	1	2	1	0	0	0	0	:	11 :
:	0	181900	25050	54525	24600	0	0	0	0	:	286075 :
:										:	:
[40 - 44) :	0	12	2	4	1	0	0	0	0	:	19 :
:	0	301865	49950	119225	26100	0	0	0	0	:	497140 :
:										:	:
[45 - 49) :	1	6	4	3	4	1	0	0	1	:	20 :
:	17152	150975	108225	75225	103350	25425	0	0	29625	:	509977 :
:										:	:
[50 - 54) :	0	1	5	6	5	3	0	0	0	:	20 :
:	0	25200	153459	178197	125475	74677	0	0	0	:	557008 :
:										:	:
[55 - 59) :	0	4	3	0	2	0	3	0	0	:	12 :
:	0	95147	124944	0	50175	0	74100	0	0	:	344366 :
:										:	:
[60 - 64) :	0	6	0	0	1	1	1	1	0	:	10 :
:	0	153150	0	0	24825	23775	57546	23850	0	:	283146 :
:										:	:
[65 - 69) :	0	0	1	0	0	1	0	0	1	:	3 :
:	0	0	26775	0	0	26175	0	0	43629	:	96579 :
:										:	:
[70 - 74) :	0	0	1	0	0	0	0	1	0	:	2 :
:	0	0	26025	0	0	0	0	32587	0	:	58612 :
:										:	:
Total :	2	40	20	15	14	6	4	2	2	:	105 :
Total :	28829	1011062	610928	427172	354525	150052	131646	56437	73254	:	2843905 :

AVERAGES : Attained Age 49.17
 Service Years 29.07
 Active Salary 27,085

HALL ACTUARIAL ASSOCIATES

MEMBERSHIP PROFILE CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
ACTIVE JUDGES

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/95

Age/Years :	(0-1)	(1-5)	(5-10)	(10-15)	(15-20)	(20-25)	(25-30)	(30-35)	(35-)	:	Total :
[0 - 19) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:										:	:
[20 - 24) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:										:	:
[25 - 29) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:										:	:
[30 - 34) :	1	2	0	0	0	0	0	0	0	:	3 :
:	49807	167850	0	0	0	0	0	0	0	:	217657 :
:										:	:
[35 - 39) :	1	9	7	2	1	0	0	0	0	:	20 :
:	19042	766769	480152	95742	64288	0	0	0	0	:	1425993 :
:										:	:
[40 - 44) :	6	33	8	5	5	0	0	0	0	:	57 :
:	282705	2591733	624459	373797	382908	0	0	0	0	:	4255602 :
:										:	:
[45 - 49) :	0	23	15	18	13	5	0	0	0	:	74 :
:	0	1800252	1147474	1454530	1042347	419625	0	0	0	:	5864228 :
:										:	:
[50 - 54) :	3	11	5	18	16	6	0	0	0	:	59 :
:	134380	907212	369674	1486067	1215049	536866	0	0	0	:	4649248 :
:										:	:
[55 - 59) :	4	2	7	5	7	7	1	0	0	:	33 :
:	109041	167850	533552	419580	574666	564938	112046	0	0	:	2481673 :
:										:	:
[60 - 64) :	0	3	3	8	5	6	4	1	0	:	30 :
:	0	256779	251775	654173	378156	476019	261904	111922	0	:	2390728 :
:										:	:
[65 - 69) :	0	1	0	2	4	0	0	3	0	:	10 :
:	0	83925	0	167850	345708	0	0	135793	0	:	733276 :
:										:	:
[70 - 74) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:										:	:
Total :	15	84	45	58	51	24	5	4	0	:	286 :
Total :	594975	6742370	3407086	4651739	4003122	1997448	373950	247715	0	:	22018404 :

AVERAGES : Attained Age 50.09
 Service Years 10.53
 Active Salary 76,987

HALL ACTUARIAL ASSOCIATES

MEMBERSHIP PROFILE CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
ACTIVE WILDLIFE AGENTS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/95

Age/Years :	(0-1)	(1-5)	(5-10)	(10-15)	(15-20)	(20-25)	(25-30)	(30-35)	(35-)	:	Total :
[0 - 19) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:										:	
[20 - 24) :	2	3	0	0	0	0	0	0	0	:	5 :
:	30568	65195	0	0	0	0	0	0	0	:	95763 :
:										:	
[25 - 29) :	5	24	3	0	0	0	0	0	0	:	32 :
:	76420	554110	71146	0	0	0	0	0	0	:	701676 :
:										:	
[30 - 34) :	1	22	5	5	0	0	0	0	0	:	33 :
:	15284	517691	132623	141661	0	0	0	0	0	:	807259 :
:										:	
[35 - 39) :	1	8	5	10	8	0	0	0	0	:	32 :
:	15284	192815	134064	285318	252856	0	0	0	0	:	880337 :
:										:	
[40 - 44) :	0	1	1	10	17	5	0	0	0	:	34 :
:	0	23658	28356	286544	589814	179633	0	0	0	:	1108005 :
:										:	
[45 - 49) :	0	0	6	11	16	12	0	0	0	:	45 :
:	0	0	157546	320045	519348	429547	0	0	0	:	1426486 :
:										:	
[50 - 54) :	0	0	1	3	1	4	0	0	0	:	9 :
:	0	0	26550	84735	31672	144542	0	0	0	:	287499 :
:										:	
[55 - 59) :	0	0	0	3	3	2	0	0	0	:	8 :
:	0	0	0	80382	94894	66684	0	0	0	:	241960 :
:										:	
[60 - 64) :	0	0	0	1	3	0	0	0	0	:	4 :
:	0	0	0	26034	91092	0	0	0	0	:	117126 :
:										:	
[65 - 69) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:										:	
[70 - 74) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:										:	
Total :	9	58	21	43	48	23	0	0	0	:	202 :
Total :	137556	1353469	550285	1224719	1579676	820406	0	0	0	:	5666111 :

AVERAGES : Attained Age 39.75
 Service Years 11.27
 Active Salary 28,050

HALL ACTUARIAL ASSOCIATES

MEMBERSHIP PROFILE CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
CORRECTIONS before 1986

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/95

Age/Years :	(0-1)	(1-5)	(5-10)	(10-15)	(15-20)	(20-25)	(25-30)	(30-35)	(35-)	:	Total :
[0 - 19) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:										:	:
[20 - 24) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:										:	:
[25 - 29) :	0	0	7	15	0	0	0	0	0	:	22 :
:	0	0	146059	351825	0	0	0	0	0	:	497884 :
:										:	:
[30 - 34) :	0	0	29	144	27	0	0	0	0	:	200 :
:	0	0	658670	3536210	719011	0	0	0	0	:	4913891 :
:										:	:
[35 - 39) :	0	0	37	155	145	10	0	0	0	:	347 :
:	0	0	885268	3951218	4002131	287783	0	0	0	:	9126400 :
:										:	:
[40 - 44) :	0	0	25	136	153	46	1	0	0	:	361 :
:	0	0	572569	3524817	4456780	1608311	51768	0	0	:	10214245 :
:										:	:
[45 - 49) :	0	0	24	129	132	44	7	0	0	:	336 :
:	0	0	564817	3335062	3816945	1663802	300063	0	0	:	9680689 :
:										:	:
[50 - 54) :	0	0	13	78	66	14	5	1	0	:	177 :
:	0	0	299293	1970518	1900370	413452	183351	28640	0	:	4795624 :
:										:	:
[55 - 59) :	0	0	7	65	51	5	3	1	0	:	132 :
:	0	0	167828	1620635	1406795	141986	93727	52992	0	:	3483963 :
:										:	:
[60 - 64) :	0	0	6	28	26	4	1	0	0	:	65 :
:	0	0	140783	660098	690101	130164	32244	0	0	:	1653390 :
:										:	:
[65 - 69) :	0	0	2	5	3	0	1	0	0	:	11 :
:	0	0	45760	113784	80916	0	47610	0	0	:	288070 :
:										:	:
[70 - 74) :	0	0	0	0	0	0	1	0	0	:	1 :
:	0	0	0	0	0	0	24600	0	0	:	24600 :
:										:	:
Total :	0	0	150	755	603	123	19	2	0	:	1652 :
Total :	0	0	3481047	19064167	17073049	4245498	733363	81632	0	:	44678756 :

AVERAGES : Attained Age 44.33
 Service Years 14.75
 Active Salary 27,045

HALL ACTUARIAL ASSOCIATES

MEMBERSHIP PROFILE CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
CORRECTIONS after 1986

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/95

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	:	Total :
[0 - 19) :	56	0	0	0	0	0	0	0	0	:	56 :
:	365349	0	0	0	0	0	0	0	0	:	365349 :
:										:	:
[20 - 24) :	170	279	2	0	0	0	0	0	0	:	451 :
:	1091471	4810191	40593	0	0	0	0	0	0	:	5942255 :
:										:	:
[25 - 29) :	158	451	188	0	0	0	0	0	0	:	797 :
:	1152274	8151363	3735804	0	0	0	0	0	0	:	13039441 :
:										:	:
[30 - 34) :	79	247	241	0	0	0	0	0	0	:	567 :
:	665212	4501126	4920055	0	0	0	0	0	0	:	10086393 :
:										:	:
[35 - 39) :	70	186	127	0	0	0	0	0	0	:	383 :
:	458676	3463554	2596609	0	0	0	0	0	0	:	6518839 :
:										:	:
[40 - 44) :	40	156	169	0	0	0	0	0	0	:	365 :
:	292052	2960930	3499232	0	0	0	0	0	0	:	6752214 :
:										:	:
[45 - 49) :	20	146	83	0	0	0	0	0	0	:	249 :
:	127284	2828138	1703409	0	0	0	0	0	0	:	4658831 :
:										:	:
[50 - 54) :	13	68	54	0	0	0	0	0	0	:	135 :
:	95474	1302267	1103144	0	0	0	0	0	0	:	2500885 :
:										:	:
[55 - 59) :	10	44	29	0	0	0	0	0	0	:	83 :
:	75808	882898	603207	0	0	0	0	0	0	:	1561913 :
:										:	:
[60 - 64) :	1	9	23	0	0	0	0	0	0	:	33 :
:	22550	164843	467973	0	0	0	0	0	0	:	655366 :
:										:	:
[65 - 69) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:										:	:
[70 - 74) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:										:	:
Total :	617	1586	916	0	0	0	0	0	0	:	3119 :
Total :	4346150	29065310	18670026	0	0	0	0	0	0	:	52081486 :

AVERAGES : Attained Age 34.36
 Service Years 3.60
 Active Salary 16,698

HALL ACTUARIAL ASSOCIATES

MEMBERSHIP PROFILE CATEGORIZED BY AGE AND YEARS RETIRED

STATE EMPLOYEES' SYSTEM
ALL REGULAR RETIREES

CELLS DEPICT MEMBER COUNT
TOTAL BENEFIT

VALUATION DATE 6/30/95

Age/Years :	(0-1)	(1-2)	(2-3)	(3-4)	(4-5)	(5-10)	(10-15)	(15-20)	(20-)	Total :
[0 - 39) :	1	0	1	0	0	1	0	0	0	3 :
:	12366	0	20427	0	0	5315	0	0	0	38108 :
:										:
[40 - 44) :	7	11	6	4	2	1	1	0	0	32 :
:	80761	161984	90485	58060	11082	17538	15327	0	0	435237 :
:										:
[45 - 49) :	13	14	11	5	5	14	3	0	0	65 :
:	209458	225180	159357	103606	75836	222038	30280	0	0	1025755 :
:										:
[50 - 54) :	91	77	51	26	13	111	4	1	0	374 :
:	1677235	1519535	895275	509284	224255	1703982	52361	7605	0	6589532 :
:										:
[55 - 59) :	196	172	193	103	59	847	83	4	0	1657 :
:	2698773	2763126	3092719	1627802	977647	14001650	1333010	51687	0	26546414 :
:										:
[60 - 64) :	367	356	347	209	166	1408	594	60	13	3520 :
:	3382322	3650757	3439559	2249105	2172618	19489400	8491310	511643	68992	43455706 :
:										:
[65 - 69) :	176	241	323	255	225	1958	1178	309	38	4703 :
:	1432276	2028141	2669667	2168191	2423687	20803628	16495484	3669784	276719	51967577 :
:										:
[70 - 74) :	39	55	95	82	104	1230	1981	715	125	4426 :
:	548629	509498	834529	865255	1285528	12431190	21630217	8685543	1187573	47977962 :
:										:
[75 - 79) :	6	11	7	11	14	253	1228	1197	247	2974 :
:	42998	88929	93902	139401	334328	3221328	11940003	10714337	2588553	29163779 :
:										:
[80 - 84) :	0	0	0	0	1	8	212	913	614	1748 :
:	0	0	0	0	13017	99109	2263337	7198937	4795952	14370352 :
:										:
[85 - 89) :	0	0	0	0	0	2	6	78	789	875 :
:	0	0	0	0	0	56618	57903	681609	5367051	6163181 :
:										:
[90 - 99) :	0	0	0	0	0	0	0	2	292	294 :
:	0	0	0	0	0	0	0	28422	1796676	1825098 :
:										:
Total :	896	937	1034	695	589	5833	5290	3279	2118	20671 :
Total :	10084818	10947150	11295920	7720704	7517998	72051796	62309232	31549567	16081516	229558701 :

AVERAGES : Attained Age 70.47
 Years Retired 10.94
 Annual Benefit 11,105

HALL ACTUARIAL ASSOCIATES

MEMBERSHIP PROFILE CATEGORIZED BY AGE AND YEARS RETIRED

STATE EMPLOYEES' SYSTEM
ALL DISABILITY RETIREES

CELLS DEPICT MEMBER COUNT
TOTAL BENEFIT

VALUATION DATE 6/30/95

Age/Years :	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	:	Total :
[0 - 39) :	6	8	11	6	2	11	1	0	0	:	45 :
:	45766	58113	67817	31796	17531	50351	3329	0	0	:	274703 :
:	:	:	:	:	:	:	:	:	:	:	:
[40 - 44) :	25	18	12	9	10	21	6	0	0	:	101 :
:	241903	159871	102152	51357	58786	129096	30561	0	0	:	773726 :
:	:	:	:	:	:	:	:	:	:	:	:
[45 - 49) :	25	27	32	22	21	47	18	1	0	:	193 :
:	315197	255981	292298	194105	171319	343769	117739	3936	0	:	1694344 :
:	:	:	:	:	:	:	:	:	:	:	:
[50 - 54) :	32	39	40	32	20	102	45	11	0	:	321 :
:	341470	375015	336391	235639	172781	783042	322946	67125	0	:	2634409 :
:	:	:	:	:	:	:	:	:	:	:	:
[55 - 59) :	34	51	37	26	37	117	54	16	4	:	376 :
:	264972	454759	296507	197612	270963	811332	367593	96280	14055	:	2774073 :
:	:	:	:	:	:	:	:	:	:	:	:
[60 - 64) :	1	2	0	2	2	8	2	2	0	:	19 :
:	12274	8260	0	21026	44866	50796	12021	12098	0	:	161341 :
:	:	:	:	:	:	:	:	:	:	:	:
[65 - 69) :	0	0	0	0	0	0	1	0	0	:	1 :
:	0	0	0	0	0	0	21124	0	0	:	21124 :
:	:	:	:	:	:	:	:	:	:	:	:
[70 - 74) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:	:	:	:	:	:	:	:	:	:	:	:
[75 - 79) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:	:	:	:	:	:	:	:	:	:	:	:
[80 - 84) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:	:	:	:	:	:	:	:	:	:	:	:
[85 - 89) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:	:	:	:	:	:	:	:	:	:	:	:
[90 - 99) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:	:	:	:	:	:	:	:	:	:	:	:
Total :	123	145	132	97	92	306	127	30	4	:	1056 :
Total :	1221582	1311999	1095165	731535	736246	2168386	875313	179439	14055	:	8333720 :

AVERAGES : Attained Age 52.12
 Years Retired 5.37
 Annual Benefit 7,892

HALL ACTUARIAL ASSOCIATES

MEMBERSHIP PROFILE CATEGORIZED BY AGE AND YEARS RETIRED

STATE EMPLOYEES' SYSTEM
ALL SURVIVOR BENEFITS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFIT

VALUATION DATE 6/30/95

Age/Years :	(0-1)	(1-2)	(2-3)	(3-4)	(4-5)	(5-10)	(10-15)	(15-20)	(20-)	Total :
[0 - 39) :	6	5	3	6	2	23	23	24	12	104 :
:	78014	81498	49707	52312	73196	280657	203411	135639	56484	1010918 :
:										:
[40 - 44) :	3	5	5	6	1	23	8	2	2	55 :
:	54890	31513	79031	74530	4608	302147	54417	20586	3958	625680 :
:										:
[45 - 49) :	6	13	7	6	5	37	30	5	2	111 :
:	67860	202990	81201	77832	53752	453548	321483	23328	4728	1286722 :
:										:
[50 - 54) :	35	57	39	63	60	55	46	14	10	379 :
:	484844	817283	651932	928142	639459	669826	443395	85912	41733	4762526 :
:										:
[55 - 59) :	2	4	8	8	10	270	77	49	9	437 :
:	18771	39836	81040	92040	51743	3059160	668769	324602	52308	4388269 :
:										:
[60 - 64) :	1	2	9	11	18	49	538	85	37	750 :
:	9651	8804	122919	82969	87314	385806	4741177	582869	197654	6219163 :
:										:
[65 - 69) :	1	2	1	4	3	61	108	805	91	1076 :
:	5958	12710	0	19476	12571	414766	835081	5247074	488634	7036270 :
:										:
[70 - 74) :	0	0	1	1	5	47	91	95	671	911 :
:	0	0	4209	12598	21176	377707	676439	626297	3779484	5497910 :
:										:
[75 - 79) :	0	0	0	0	0	5	44	84	300	433 :
:	0	0	0	0	0	58005	340220	579495	1458856	2436576 :
:										:
[80 - 84) :	0	0	0	0	0	0	8	34	143	185 :
:	0	0	0	0	0	0	74333	217402	709602	1001337 :
:										:
[85 - 89) :	0	0	0	0	0	0	0	0	50	50 :
:	0	0	0	0	0	0	0	0	234685	234685 :
:										:
[90 - 99) :	0	0	0	0	0	0	0	1	5	6 :
:	0	0	0	0	0	0	0	20017	22999	43016 :
:										:
Total :	54	88	73	105	104	570	973	1198	1332	4497 :
Total :	719988	1194634	1070039	1339899	943819	6001622	8358725	7863221	7051125	34543072 :

AVERAGES : Attained Age 65.52
 Years Retired 15.87
 Annual Benefit 7,681

HALL ACTUARIAL ASSOCIATES

**MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED**

**STATE EMPLOYEES' SYSTEM
DROP PARTICIPANTS**

**CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS**

VALUATION DATE 6/30/95

Age/Years :	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	:	Total :
[0 - 39) :	0	0	1	0	0	0	0	0	0	:	1 :
:	0	0	13376	0	0	0	0	0	0	:	13376 :
:										:	:
[40 - 44) :	13	8	3	0	0	0	0	0	0	:	24 :
:	192665	116886	45918	0	0	0	0	0	0	:	355469 :
:										:	:
[45 - 49) :	16	13	3	0	0	0	0	0	0	:	32 :
:	227286	229410	54048	0	0	0	0	0	0	:	510744 :
:										:	:
[50 - 54) :	104	88	31	0	0	0	0	0	0	:	223 :
:	2005246	2160821	712675	0	0	0	0	0	0	:	4878742 :
:										:	:
[55 - 59) :	181	166	67	0	0	0	0	0	0	:	414 :
:	3580570	4274423	1749228	0	0	0	0	0	0	:	9604221 :
:										:	:
[60 - 64) :	223	206	66	0	0	0	0	0	0	:	495 :
:	2861268	4193416	1389107	0	0	0	0	0	0	:	8443791 :
:										:	:
[65 - 69) :	73	91	49	0	0	0	0	0	0	:	213 :
:	992788	1804233	1011422	0	0	0	0	0	0	:	3808442 :
:										:	:
[70 - 74) :	15	21	6	0	0	0	0	0	0	:	42 :
:	325919	413415	127298	0	0	0	0	0	0	:	866632 :
:										:	:
[75 - 79) :	2	2	5	0	0	0	0	0	0	:	9 :
:	43908	74923	79673	0	0	0	0	0	0	:	198503 :
:										:	:
[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 :	627	595	231	0	0	0	0	0	0	:	1453 :
Total :	10229650	13267526	5182746	0	0	0	0	0	0	:	28679922 :

AVERAGES : Attained Age 60.01
 Years Retired 1.21
 Annual Benefit 19,738

HALL ACTUARIAL ASSOCIATES

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

STATE EMPLOYEES' SYSTEM
TERMINATED VESTED

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/95

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	:	Total :
[0 - 19) :	0	0	0	0	0	0	0	0	0	:	0 :
:	0	0	0	0	0	0	0	0	0	:	0 :
:										:	:
[20 - 24) :	1	0	0	0	0	0	0	0	0	:	1 :
:	12	0	0	0	0	0	0	0	0	:	12 :
:										:	:
[25 - 29) :	0	5	0	0	0	1	0	0	0	:	6 :
:	0	2936	0	0	0	3175	0	0	0	:	6112 :
:										:	:
[30 - 34) :	0	1	1	24	6	0	0	0	0	:	32 :
:	0	1480	8012	98092	57346	0	0	0	0	:	164930 :
:										:	:
[35 - 39) :	0	0	1	53	36	4	0	0	0	:	94 :
:	0	0	1612	330385	276452	32528	0	0	0	:	640978 :
:										:	:
[40 - 44) :	0	0	1	37	88	37	1	0	0	:	164 :
:	0	0	6537	249144	747242	377231	538	0	0	:	1380692 :
:										:	:
[45 - 49) :	0	0	0	34	72	64	17	2	0	:	189 :
:	0	0	0	293623	727446	678055	143717	36392	0	:	1879233 :
:										:	:
[50 - 54) :	0	1	1	29	39	48	36	7	1	:	162 :
:	0	1578	7507	200464	424642	551669	477352	42626	7686	:	1713525 :
:										:	:
[55 - 59) :	0	0	1	34	61	25	15	12	8	:	156 :
:	0	0	10035	240971	473305	229094	141793	148194	51344	:	1294736 :
:										:	:
[60 - 64) :	0	0	0	5	6	5	5	5	3	:	29 :
:	0	0	0	26861	28479	40549	37052	59702	27358	:	220001 :
:										:	:
[65 - 69) :	0	0	0	3	3	2	2	2	5	:	17 :
:	0	0	0	14160	58141	10761	25207	21691	31040	:	161000 :
:										:	:
[70 - 74) :	0	0	0	1	2	1	11	4	10	:	29 :
:	0	0	0	5603	16953	3530	88101	11072	42400	:	167659 :
:										:	:
Total :	1	7	5	220	313	187	87	32	27	:	879 :
Total :	12	5995	33703	1459301	2810007	1926592	913761	319678	159828	:	7628877 :

AVERAGES : Attained Age 49.33
 Service Years 19.27
 Annual Benefit 8,679

EXHIBIT 5

PRINCIPLE PROVISIONS OF THE PLAN
(Including Acts of 1993 Regular Session)

EFFECTIVE DATE:

July 1, 1947; last amendment date - July 1, 1995.

EMPLOYEE:

Any person legally occupying a position in the state service.

EMPLOYER:

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

ELIGIBILITY FOR PARTICIPATION:

Condition of employment in state service except the following: elected or appointed officials or employees who are contributing members of any other state system; public officials and state employees who receive a per diem in lieu of compensation; persons employed prior to 1/1/73 who work on a part-time basis and elect not to participate; patient or inmate help in state charitable, penal or correctional institutions; part-time students, interns and resident physicians; independent contractors; employees who are age 60 or older at time of employment; retirees of the retirement system who return to work under certain conditions; judges who failed to elect membership prior to 10/2/76; civilian employees who on 11/1/81 were within five years of retirement eligibility in the Federal Civil Service Retirement and Disability Fund; teachers employed after 9/10/82; nurses employed from employment pools at state charity hospitals; temporary, seasonal, part-time employees of DOCT, 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 1 credit per fiscal year. Minimum 50 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 cancelled by withdrawal of accumulated contributions may be restored by member by paying into system the amount withdrawn plus interest at the Actuarial Valuation rate.
2. Maximum of 4 years of credit for military service may be obtained for each member with at least 2 years service, contingent on payment of Actuarial Cost.
3. Credit for educational leave or any period of training, up to a maximum of three years, for which a stipend was paid and the member was bound to return to the employ and does return to the employ of such agency.
4. Credit for service which was classified as a job appointment or emergency appointment not to exceed 2 years credit.
5. At retirement, all accumulated unused sick and annual leave shall be credited based on the following schedule:

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

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

EARNABLE COMPENSATION:

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

AVERAGE FINAL
COMPENSATION FOR
BENEFIT PURPOSES:

The average annual earned compensation for the thirty-six highest months of successive employment, or the highest thirty-six successive joined months where interruption of service occurred; part-time employees use the base pay the part-time employee would have received had employment been full-time.

EXHIBIT 5 (Continued)
Principle Provisions

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.

EMPLOYEE CONTRIBUTIONS:

		<u>After June 30, 1989</u>
Individual Employees	7% of Compensation	7.5%
Agents of DOC	8.5% of Compensation	9.0%
Wild Life Agents	8% of Compensation	8.5%
Legislators, Judges	11% of Compensation	11.5%

EMPLOYER CONTRIBUTIONS:

9% of Compensation by statute; 9.2% effective 8/1/80; 10.2% effective 7/1/84; 11.2% effective 9/11/85. Act 81 of 1988 requires employer rate to be actuarially determined and set annually.

RETIREMENT BENEFIT:

NORMAL RETIREMENT:

Eligibility:

- Written application to the Board and,
1. Member has attained age 60 and 10 years of accredited service, or age 55 and 25 years of accredited service, or at any age and 30 years of accredited service.
 2. Certain members of the Department of Public Safety and Corrections, 20 years of accredited service at any age (age 50 if employed after August 15, 1986, 20 years of service).
 3. Service as a judge or court officer, 18 years of creditable service regardless of age, or age 50 and 20 years of accredited service, or age 55 and 12 years of accredited service, or age 70 without regard to accredited 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 of accredited service with 12 years of such service, or age 55 with 12 years of such service.

Benefit:

1. Annual pension equal to 2 1/2 percent of average compensation for each year of creditable service, plus \$300 supplemental benefit.
2. Annual pension equal to 2 1/2 percent of average compensation for each year of creditable service, plus \$300 supplemental benefit.

EXHIBIT 5 (Continued)
Principle Provisions

3. Annual pension equal to 3 1/2 percent of average compensation for each year of creditable service as a judge or court officer, plus benefit described in (1) above for other state service.

4. Annual pension equal to 3 1/2 percent of average compensation for each year of creditable service as a legislator, governor, lieutenant governor, employees of the legislature or state treasurer, plus benefit described in (1) above for other state service.

NOTE:

A. Benefit not to exceed 100% of average earnable compensation.

B. Retiree who returns to work shall have benefits suspended while so re-employed; benefit in same amount shall resume after re-employment ceases, but shall include any Cost-of-Living benefits or increases granted during suspension (these are not retroactive). Retirees who return to work during a July 1 to June 30 year will not have his benefits reduced if his compensation does not exceed 50% of his annual benefit.

C. The \$300 annual supplemental benefit is discontinued to persons who become members of the retirement system after 6/30/86 (Act 608 of 1986).

D. For members employed after January 1, 1990, the annual pension cannot exceed the maximum benefit provided under Section 415(b)(2)(F) of the Internal Revenue Service Code as adjusted for inflation and form of benefit other than life annuity or qualified joint and survivor annuity for retirement ages as follows:

<u>AGE</u>	<u>MAXIMUM</u>	<u>AGE</u>	<u>MAXIMUM</u>	<u>AGE</u>	<u>MAXIMUM</u>
48	\$22,082	56	\$46,604	64	\$107,147
49	24,168	57	51,418	65	120,000
50	26,468	58	56,807	66	131,442
51	29,016	59	62,856	67	144,375
52	31,833	60	69,663	68	159,048
53	34,950	61	77,344	69	175,787
54	38,431	62	86,037	70	194,948
55	42,295	63	95,906		

EARLY RETIREMENT:

Eligibility:

20 years of service credit regardless of attained age.

Benefit:

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

EXHIBIT 5 (Continued)
Principle Provisions

COST-OF-LIVING BENEFITS:

1. Discretionary Board approved supplemental cost-of-living adjustments based on the difference in the all-items Consumer Price Index for the two immediate preceding calendar years not to exceed 3% in any year, from excess interest earnings, provided the system is approaching full funding.

2. **Under Act 798 of 1980:**

A. Cost-of-living adjustments for retirees based on their date of retirement as follows:

<u>Retirement Date</u>	<u>Increase</u>
7/2/78 - 7/1/79	3%
7/2/77 - 7/1/78	6%
7/1/77 and earlier	9% (of 10/1/77 benefit)

B. 1979 cost-of-living raise of 10% for those who retired on or before 7/1/80 is a permanent raise.

3. **Under Act 852 of 1981:**

Cost-of-living for recipients who retired on or before July 1, 1978, payable on January 1, 1982 as follows:

Retiree, beneficiary or survivor

1. At least 62 but less than 65, 4% of benefit of October 1, 1977, or initial benefit if retired after October 1, 1977, but not greater than \$400 annually,

2. 65 or older 7% of benefit of October 1, 1977 or initial benefit if retired after October 1, 1977, but not greater than \$700 annually.

3. Disability retirees and surviving children not subject to the above age restrictions, and their COL is 7%, but not greater than \$700 per person.

4. **Under Act 443 of 1984:**

7% Cost-of-living increase to retirees, beneficiaries and survivors who are receiving a benefit by 9/1/84. It is effective 9/1/84 and must be paid by the retirement system by 11/1/84.

No increase can be more than \$100/month. If the increase is only partially funded for a given year, the increase shall be reduced in direct proportion.

NOTE:

In no case may the increase cause annual benefits to exceed \$24,000.

5. **Act 5 of Third Extraordinary Session:**

Effective September 1, 1991, retirees, beneficiaries and survivors who have been receiving benefits since July 1, 1990 receives \$1 per month increase for each year of service plus \$1 per month for each year retired.

EXHIBIT 5 (Continued)
Principle Provisions

6. Act 572 of 1992:

Establishes an Experience Account which is credited with 50% of the excess investment experience gain and debited with 50% of the net investment experience loss. Balances in the experience account accrue interest at the average actuarial yield for the System portfolio. Once the balance of the experience account accumulates to a sum sufficient to grant retirees a COLA, the Board may grant such COLA with legislative approval.

DISABILITY RETIREMENT:

Eligibility:

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

Benefit:

- 1) The disability retirement annuity shall be equivalent to the regular retirement formula without reduction by reason of age for all classes of membership.
- 2) For judges and court officers, the benefit in (1) but not less than 50% of current salary.
- 3) For certain Wild Life agents; partial disabilities not eligible for (1) above receive 75% of the benefit in (1); total disability in-line-of-duty receive 60% of average compensation.

SURVIVOR'S BENEFITS:

Eligibility:

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

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 - 1/2 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.

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

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

B. 90% of the maximum 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.

EXHIBIT 5 (Continued)

Principle Provisions

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.

REFUND OF CONTRIBUTIONS:

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

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

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

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.

ACCOUNTING DISCLOSURE:

The Governmental Accounting Standards Board Statement No. 6 requires the disclosure of "Credited Projected Benefits" for Public Employee Retirement Systems. The actuarial present value of credited projected benefits are the accumulated accrued benefits of each individual participant projected with salary increases for active members to anticipated retirement. The development of this disclosure utilizes the same actuarial assumptions in the development of funding requirements and actuarial accrued liabilities.

MORTALITY ASSUMPTIONS:

Pre-retirement deaths and post-retirement life expectancies were projected in accordance with the experience of the 1983 Sex Distinct Graduated Group Annuity Mortality Table, with female age set at attained age plus one.

DISABILITY ASSUMPTION:

Rates of total and permanent disability were projected by age in accordance with the 1981-86 disability experience study of the Retirement System. For mortality after disability, rates were on the Eleventh Actuarial Valuation of the Railroad Retirement Systems for permanent disabilities.

RETIREMENT ASSUMPTION:

Retirement without reduction in benefits can occur at any given age after satisfying the service eligibility requirements. Absent from the plan is a traditional "Normal Retirement Age". Since the age and service requirements are varied, the frequency of retirements will depend on the exposure plus intangibles such as health, economy, Social Security and other work patterns. The retirement rates were projected based on the 1981-86 experience study of the Retirement System.

EXHIBIT 6 (Continued)
Cost Methods & Assumptions
TERMINATION ASSUMPTIONS:

Voluntary termination or withdrawal rates were derived from the 1981-86 termination experience study of the Retirement System. During the first five years of employment, the probability of voluntarily terminating is a multiple of the attained age rate as follows:

	<u>Regular Members</u>	<u>Corrections & Wildlife</u>
1st year	1.3x	1.6x
2nd year	1.0x	1.2x
3rd year	1.0x	1.1x
4th year	1.0x	1.1x
5th year	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 rate of annual salary growth is based on the 1981-86 salary growth experience study of the Retirement System.

FAMILY STATISTICS:

The composition of the Family was based on Age-Specific Fertility Rates from the 1983 Vital Statistics of the United States. 80% of the membership was assumed to be married with the wife assumed to be three (3) years younger than the husband. Sample rates are as follows:

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

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

ASSUMPTION FOR INCOMPLETE DATA:

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

INVESTMENT EARNINGS:

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

ASSET VALUATION:

Bonds are valued at amortized cost. Fixed assets are valued at cost minus depreciation. For the Plan Year Ending June 30, 1988 equities are valued on a four year weighted average. The computation of the average actuarial value of assets is the sum of the bonds at amortized cost, plus a weighted average of the change in the unrealized losses or (gains) in the market value of equities offset against the market value of equities. This value is a modification of the average value methodology determined in accordance with Reg. 1.412(c)(2)-1-(6)&(7) of the Internal Revenue Service Code and is subject to the Corridor Limits defined therein. The four year average value will be phased in over the next three year period.

ADMINISTRATIVE EXPENSES:

These expenses are included in Normal Cost and are assumed to be \$4,800,000 per year. Investment Expenses are not included in Normal Cost but are treated as a direct offset to investment income.

ACTUARIAL TABLES AND RATES
(STATE EMPLOYEES' ASSUMPTIONS)

Age	- Death Rates - Male	- Death Rates - Female	Remarriage Rates	Disability Rates	Retirement Rates	Dur	Termination Rates	Salary Scale
20	.00042	.00022	.09350	.00000	.00000	1	.27500	1.11750
21	.00044	.00024	.09152	.00000	.00000	2	.32400	1.10750
22	.00045	.00025	.08954	.00000	.00000	3	.16400	1.09750
23	.00047	.00027	.08757	.00000	.00000	4	.13700	1.08250
24	.00049	.00028	.08569	.00000	.00000	5	.11800	1.07750
25	.00052	.00030	.08402	.00000	.00000	6	.11000	1.07250
26	.00054	.00032	.08225	.00000	.00000	7	.10100	1.07050
27	.00057	.00034	.08028	.00000	.00000	8	.08500	1.06850
28	.00060	.00036	.07802	.00000	.00000	9	.07100	1.06650
29	.00064	.00038	.07556	.00000	.00000	10	.05800	1.06350
30	.00067	.00040	.07281	.00020	.00000	11	.03200	1.06050
31	.00072	.00043	.06976	.00020	.00000	12	.02400	1.05750
32	.00076	.00046	.06652	.00030	.00000	13	.02000	1.05450
33	.00082	.00049	.06308	.00030	.00000	14	.02000	1.05150
34	.00087	.00053	.05945	.00040	.00000	15	.01700	1.04850
35	.00096	.00056	.05582	.00050	.00000	16	.01700	1.04550
36	.00101	.00060	.05230	.00060	.00000	17	.01300	1.04250
37	.00107	.00064	.04890	.00080	.00000	18	.01300	1.04250
38	.00115	.00069	.04570	.00100	.00000	19	.01300	1.04250
39	.00125	.00074	.04271	.00120	.00000	20	.01300	1.04250
40	.00138	.00080	.03993	.00130	.50000	21	.01200	1.04250
41	.00152	.00086	.03769	.00140	.50000	22	.01200	1.04250
42	.00170	.00094	.03480	.00150	.50000	23	.01200	1.04250
43	.00191	.00102	.03256	.00170	.50000	24	.01200	1.04250
44	.00215	.00112	.03037	.00200	.65000	25	.01100	1.04250
45	.00243	.00124	.02822	.00240	.65000	26	.01100	1.04250
46	.00275	.00137	.02632	.00280	.32000	27	.00800	1.04250
47	.00310	.00152	.02455	.00320	.32000	28	.00700	1.04250
48	.00349	.00167	.02303	.00360	.42000	29	.00600	1.04250
49	.00390	.00183	.02154	.00450	.43000	30	.01400	1.04250
50	.00434	.00199	.02019	.00540	.43000	31	.01300	1.04250
51	.00480	.00217	.01889	.00670	.42000	32	.01300	1.04250
52	.00528	.00236	.01808	.00800	.42000	33	.02000	1.04250
53	.00578	.00257	.01733	.00670	.42000	34	.01500	1.04250
54	.00629	.00282	.01671	.00540	.42000	35	.01500	1.04250
55	.00681	.00311	.01622	.00670	.47000	36	.01500	1.04250
56	.00735	.00345	.01596	.00920	.34000	37	.01500	1.04250
57	.00793	.00383	.01584	.01040	.32000	38	.01500	1.04250
58	.00858	.00425	.01589	.01140	.32000	39	.00000	1.04350
59	.00932	.00471	.01622	.01040	.32000	40	.00000	1.04550
60	.01018	.00523	.01682	.00400	.32000	41	.00000	1.04850
61	.01118	.00579	.01764	.00330	.27000	42	.00000	1.05150
62	.01237	.00641	.01906	.00250	.27000	43	.00000	1.05450
63	.01377	.00710	.02061	.00250	.27000	44	.00000	1.05750
64	.01541	.00785	.02239	.00300	.27000	45	.00000	1.05750
65	.01732	.00869	.02446	.00400	.44000	46	.00000	1.05750
66	.01953	.00965	.02684	.00000	.32000	47	.00000	1.05750
67	.02200	.01078	.02952	.00000	.32000	48	.00000	1.05750
68	.02470	.01214	.03209	.00000	.32000	49	.00000	1.05750
69	.02757	.01376	.03504	.00000	.42000	50	.00000	1.05750
70	.03059	.01570	.03851	.00000	.50000	51	.00000	1.05750

**ACTUARIAL TABLES AND RATES
(JUDGES & LEGISLATORS ASSUMPTIONS)**

Age	- Death Rates - Male Female	Remarriage Rates	Disability Rates	Retirement Rates	Dur	Termination Rates	Salary Scale
20	.00042 .00022	.09350	.00000	.00000	1	.27500	1.04750
21	.00044 .00024	.09152	.00000	.00000	2	.32400	1.04750
22	.00045 .00025	.08954	.00000	.00000	3	.16400	1.04750
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24	.00049 .00028	.08569	.00000	.00000	5	.11800	1.04750
25	.00052 .00030	.08402	.00000	.00000	6	.11000	1.04750
26	.00054 .00032	.08225	.00000	.00000	7	.10100	1.04750
27	.00057 .00034	.08028	.00000	.00000	8	.08500	1.04750
28	.00060 .00036	.07802	.00000	.00000	9	.07100	1.04750
29	.00064 .00038	.07556	.00000	.00000	10	.05800	1.04750
30	.00067 .00040	.07281	.00020	.00000	11	.03200	1.04750
31	.00072 .00043	.06976	.00020	.00000	12	.02400	1.04750
32	.00076 .00046	.06652	.00030	.00000	13	.02000	1.04750
33	.00082 .00049	.06308	.00030	.00000	14	.02000	1.04750
34	.00087 .00053	.05945	.00040	.00000	15	.01700	1.04750
35	.00096 .00056	.05582	.00050	.00000	16	.01700	1.04750
36	.00101 .00060	.05230	.00060	.00000	17	.01300	1.04750
37	.00107 .00064	.04890	.00080	.00000	18	.01300	1.04750
38	.00115 .00069	.04570	.00100	.00000	19	.01300	1.04750
39	.00125 .00074	.04271	.00120	.00000	20	.01300	1.04750
40	.00138 .00080	.03993	.00130	.50000	21	.01200	1.04750
41	.00152 .00086	.03769	.00140	.50000	22	.01200	1.04750
42	.00170 .00094	.03480	.00150	.50000	23	.01200	1.04750
43	.00191 .00102	.03256	.00170	.50000	24	.01200	1.04750
44	.00215 .00112	.03037	.00200	.65000	25	.01100	1.04750
45	.00243 .00124	.02822	.00240	.65000	26	.01100	1.04750
46	.00275 .00137	.02632	.00280	.32000	27	.00800	1.04750
47	.00310 .00152	.02455	.00320	.32000	28	.00700	1.04750
48	.00349 .00167	.02303	.00360	.42000	29	.00600	1.04750
49	.00390 .00183	.02154	.00450	.43000	30	.01400	1.04750
50	.00434 .00199	.02019	.00540	.43000	31	.01300	1.04750
51	.00480 .00217	.01889	.00670	.42000	32	.01300	1.04750
52	.00528 .00236	.01808	.00800	.42000	33	.02000	1.04750
53	.00578 .00257	.01733	.00670	.42000	34	.01500	1.04750
54	.00629 .00282	.01671	.00540	.42000	35	.01500	1.04750
55	.00681 .00311	.01622	.00670	.47000	36	.01500	1.04750
56	.00735 .00345	.01596	.00920	.34000	37	.01500	1.04750
57	.00793 .00383	.01584	.01040	.32000	38	.01500	1.04750
58	.00858 .00425	.01589	.01140	.32000	39	.00000	1.04750
59	.00932 .00471	.01622	.01040	.32000	40	.00000	1.04750
60	.01018 .00523	.01682	.00400	.32000	41	.00000	1.04750
61	.01118 .00579	.01764	.00330	.27000	42	.00000	1.04750
62	.01237 .00641	.01906	.00250	.27000	43	.00000	1.04750
63	.01377 .00710	.02061	.00250	.27000	44	.00000	1.04750
64	.01541 .00785	.02239	.00300	.27000	45	.00000	1.04750
65	.01732 .00869	.02446	.00400	.44000	46	.00000	1.04750
66	.01953 .00965	.02684	.00000	.32000	47	.00000	1.04750
67	.02200 .01078	.02952	.00000	.32000	48	.00000	1.04750
68	.02470 .01214	.03209	.00000	.32000	49	.00000	1.04750
69	.02757 .01376	.03504	.00000	.42000	50	.00000	1.04750
70	.03059 .01570	.03851	.00000	.50000	51	.00000	1.04750

EXHIBIT 7

LEGISLATIVE AUDITOR'S REPORT

6 Actuarial information for STATE EMPLOYEES' RETIREMENT SYSTEM.

(a) Most recent actuarial valuation date: June 30, 1995.

(b) This valuation sets forth information concerning contributions applicable to the plan fiscal year beginning July 1, 1995, and ending June 30, 1996.

(c) Data used in this valuation

(i) Number of participants as of the valuation date:

Active members.	66,628
Regular retirees. + DROP.	20,671
Disability retirees	1,056
Survivors receiving benefits.	4,497
Terminated employees due benefits upon attaining retirement age	1,537
Terminated employees due refunds.	20,763

(ii) Payroll of active members on the valuation date 1,547,977,166

(iii) Annual benefits in payment on the valuation date. 272,435,493

(d) Actuarially required contribution for those systems to which R.S.11:102 applies
Funding Method Projected Unit Credit.

Unfunded Accrued Liability as of the end of fiscal 1988 1,825,421,035

Amortization Method Increasing Annuity.

Remaining Unamortized Portion of the initial unfunded liability . 2,286,351,316

Current Unfunded Accrued Liability under this method. 2,084,280,556

Actuarially required employer contribution: (at Mid-year)

(i) Employer Normal Cost. 90,495,714

Amortization Payments for Previous Years (Detail on Exhibit A):

(ii) Previous year's unpaid underpayment or (overpayment). (3,115,389)

(iii) Initial Unfunded Liability (Excludes \$3,766,986 appropriation). 114,222,883

(iv) Gains and Losses (6,909,917)

(v) Changes in Assumption or Asset Valuation Method. (5,954,774)

(vi) Changes in funding method. 0

(vii) Changes in plan provisions 8,601,429

(viii) Total employer contribution required (Sum of 6(d)(i) - (vii)). 197,339,946

(ix) Estimated projected payroll for the coming fiscal year 1,598,360,324

(x) Required Employer Contribution Rate (6(d)(viii)/6(d)(ix)). . . 12.3%

+ Appropriation. 3,766,986

(e) Actuarially required contribution for those systems to which R.S. 11:103 applies
Funding Method Not Applicable.

(f) Average yield on investments last fiscal year. 9.49%

(g) Actuarial information for accounting purposes (GASB/6 results)

Pension Benefit Obligation:

(i) Present retirees and beneficiaries. 2,651,203,899

(ii) Terminated participants due benefits at retirement age. . . 34,489,662

(iii) Terminated participants due a refund of their contributions 11,668,740

(iv) Active Members:

(1) Accumulated employee contributions. 886,864,495

(2) Employer-financed vested portion. 1,748,809,378

(3) Employer-financed nonvested portion 363,873,082

(v) Total PBO (sum of 6(g)(i) through 6(g)(iv)) 5,696,909,256

Actuarial value of assets. 3,665,863,068

Unfunded (Assets in Excess of) Pension Benefit Obligation. 2,031,046,188

Exhibit 7 (Continued)

Legislative Auditor's Report

(g) Actuarial assumptions used

Interest rate used 8.25%
 Give the name (or source reference) of the particular table used or attach a copy of the table used for the each of the following. Indicate where appropriate that no assumption is made with regard to a particular aspect of the valuation.

	<u>Males</u>	<u>Females</u>
Mortality rates (healthy)		
Mortality rates (disabled)	<u>See copies of pages 20 - 24 of the 6/30/95</u>	
Termination rates	<u>Actuarial Valuation Report Attached</u>	
Retirement rates		
Disability rates		
Salary scales		

(h) Cost of Living Target Ratio and Funded Ratio of the System: (This section must be completed by state and statewide retirement systems only).

- (i) Funded Ratio of the System as of the 1986 fiscal year end53464
 (ii) Number of fiscal years elapsed since the 1986 fiscal year end multiplied by one-thirtieth of the difference between one hundred percent and the amount in (6)(h)(i)13961
 (iii) Changes in Funded Ratio due to mergers or changes in methods or assumptions after the 1986 fiscal year end;

<u>Date of Change</u>	<u>Change in Funded Ratio</u>
-----------------------	-------------------------------

<u>6/30/87</u>	<u>(.03148)</u>
<u>6/30/88</u>	<u>.02822</u>
<u>6/30/89</u>	<u>.02420</u>
<u>6/30/91</u>	<u>(.00781)</u>

Total Change in Funded Ratio01313

- (iv) Number of fiscal years elapsed since the date of each change in (6)(h)(iii) multiplied by one-thirtieth of the amount of such change in funded ratio and of opposite arithmetic sign of such change;

<u>Date of Change</u>	<u>Amortization of Change</u>
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<u>6/30/87</u>	<u>.00840</u>
<u>6/30/88</u>	<u>(.00659)</u>
<u>6/30/89</u>	<u>(.00484)</u>
<u>6/30/91</u>	<u>.00104</u>

Total Amortization of Changes (.00199)

- (v) Target Ratio as of the end of the just completed fiscal year.68539
 (Sum of (6)(h) (i) through (iv))

- (vi) Actual Funded Ratio of the system as of the just completed fiscal year .63414
 (vii) According to my actuarial calculations this system has ___ has not X met the target ratio required to grant a cost of living increase to current benefit recipients.

To the best of my knowledge, the information supplied in item 6 and on statements attached to item 6, if any, is complete and accurate. In my opinion the assumptions used are in the aggregate reasonably related to the experience of the system and to reasonable expectations and represent my best estimate of anticipated experience under the system.

Date October 11, 1995 Signature of Actuary Charles G. Haen

EXHIBIT A

**AMORTIZATION OF UNFUNDED
ACTUARIAL ACCRUED LIABILITY
JUNE 30, 1995**

	<u>DATE</u> <u>6/30</u>	<u>DESCRIPTION</u>	<u>AMTZ.</u> <u>METHOD</u>	<u>AMTZ.</u> <u>PERIOD</u>	<u>INITIAL</u> <u>LIABILITY</u>	<u>YEARS</u> <u>REMAIN</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>MID-YEAR</u> <u>PAYMENT</u>
1)	1988	Initial Liability	I	40	1,825,421,035	34	2,286,351,316	114,222,883*
2)	1989	Experience Gain	I	15(L)	(51,766,931)	34	(49,965,427)	(2,578,525)
3)	1989	Actuarial Assumption	I	30(L)	(171,979,344)	34	(182,943,684)	(9,441,026)
4)	1990	Experience Loss	I	15(L)	110,124,801	34	111,390,429	5,748,435
5)	1991	Actuarial Assumption	I	30(L)	62,288,922	34	67,554,935	3,486,252
6)	1991	Experience Gain	I	15(L)	(16,696,068)	34	(17,601,956)	(908,369)
7)	1992	Legislative COLA	L	12	66,577,000	9	55,328,150	8,601,429
8)	1992	Change in Liability	I	37	6,064,124	34	1,752,401	90,434
9)	1993	Change in Liability	I	36	(67,422,552)	34	(71,524,358)	(3,691,099)
10)	1994	Change in Liability	I	35	(84,680,987)	34	(50,121,875)	(2,728,395)
11)	1994	Change in Liability	I	34	(57,826,272)	34	(57,826,272)	(2,984,194)
TOTAL OUTSTANDING BALANCE							2,092,393,659	109,959,621
EMPLOYER'S CREDIT BALANCE								
	1992	Contribution Variance L	L	5	(11,259,859)	2	(5,044,874)	(2,728,395)
	1993	Contribution Variance L	L	5	2,911,762	3	1,883,297	705,554
	1994	Contribution Variance L	L	5	2,609,956	4	2,167,284	632,423
	1995	Contribution Variance L	L	5	(7,118,810)	5	(7,118,810)	(1,724,971)
TOTAL OUTSTANDING BALANCE							(8,113,103)	(3,115,389)
TOTAL UNFUNDED ACTUARIAL ACCURED LIABILITY							\$2,084,280,556	

***Note:** LSU and Unfunded Judges equals 3.192635% of the Initial Liability mid-year payment.

Effective July 1, 1992, Amortization Periods changed in accordance with Act 257.