

# SUMMARY ANNUAL FINANCIAL REPORT 2024



*Photographer: Charles Efferson*

# LASERS

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For Fiscal Years Ended **June 30, 2024 & 2023**  
Louisiana State Employees' Retirement System  
A component unit of the State of Louisiana

# LETTER OF TRANSMITTAL

Photographer: Rob Wood

Dear Members:

October 24, 2024

It is with great pleasure that I present the Louisiana State Employees' Retirement System (LASERS) *Summary Annual Report* for the fiscal year ended June 30, 2024. This report provides information derived from our *Annual Comprehensive Financial Report* (ACFR) on the financial status of your retirement system while highlighting changes that occurred during the year. The ACFR, prepared in accordance with generally accepted accounting principles, provides information that is more detailed. It is available on our website at [www.lasersonline.org/publications/annual-reports](http://www.lasersonline.org/publications/annual-reports).



**Trey Boudreaux**  
Executive Director

7.25% target. Additionally, the Plan's funded ratio improved by 2.9% and is now at 71.4%.

It is important to remember that LASERS is a long-term investor, relying on detailed actuarial analysis. The Net Position Restricted for Pensions now exceeds \$15.9 billion, having increased by \$4.3 billion over the last decade. Over the past several years, LASERS has also reduced the discount rate from 8.25% to 7.25% and changed the actuarial cost method from projected unit credit to entry age normal, which in total has increased the unfunded accrued liability by \$2.2 billion. Without these changes, the funded ratio would be approximately 78.7%. The improved financial stability of the Plan affected by these changes resulted in the reduction of potential future contribution rate increases. If all actuarial assumptions are realized, our funded ratio is expected to steadily increase as unfunded liabilities are amortized in accordance with the Plan's funding policy.

At the very beginning of the fiscal year, in July 2023, the Federal Reserve raised its target benchmark interest rate to 5.5% which was maintained throughout the remainder of the year. Capital markets were largely focused on unemployment, wage growth, economic strength, and declining inflation in an effort to anticipate when the U.S. Federal Reserve would be in a position to reverse its policy stance and begin lowering its target federal funds interest rate. Equity markets were exceptionally favorable, earning double-digits across the globe. For the fiscal year ending June 30, 2024, LASERS investment portfolio realized a gross-of-fees, time-weighted return on investment assets of 14.0%. The plan earned an annualized return of 12.8% for the two-year period, 12.5% for the four-year period, and 7.3% for the ten-year period. The 30-year compounded average return on the actuarial value of assets, net of investment expenses, is 7.37%, exceeding our

We would like to recognize the teamwork and contributions of our experienced and dedicated staff. They continue to keep the best interests of our members as their top priority. As we look toward the future, we will continue to invest both prudently and opportunistically in efforts to maximize returns and minimize employer contributions. We will also continue to develop innovative programs to improve the value of the services provided to our members. LASERS success is critical to working families and retirees across the state. *LASERS Benefits Louisiana*.

Sincerely,

Bernard E. "Trey" Boudreaux, III  
Executive Director

## 2024 BOARD OF TRUSTEES



**Byron P. Decoteau, Jr.**  
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Elected Active Member



**Virginia Burton**  
Vice Chair  
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**Cortny Jarrell**  
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**Laura Lapeze**  
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**Amy A. Mathews**  
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**Barbara McManus**  
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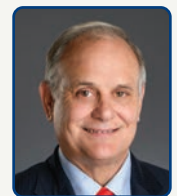
**Comm. Taylor F. Barras**  
Division of Administration



**John C. Fleming**  
State Treasurer



**Sen. Edward Price**  
Chair, Senate Retirement Committee



**Rep. Tony Bacala**  
Chair, House Retirement Committee

# FINANCIAL STATEMENTS

Photographer: John McClelland

The increase in fiduciary net position in 2024 can be attributed to an increase in net investment income of more than \$1.8 billion due to improved economic conditions. The increase in fiduciary net position in 2023 from 2022 can be attributed to increases in Legislative Acts Income, primarily the result of ACT 397 of the 2023 Louisiana Regular Legislative Session, which appropriated more than \$349 million toward the unfunded accrued liability and increases in investment income of more

than \$376 million because of improved economic conditions. The Statements of Fiduciary Net Position present LASERS financial position as of June 30, 2024, 2023, and 2022 by reporting the System's assets, liabilities, and resultant net position restricted for the payment of pension benefits. The Statements of Changes in Fiduciary Net Position summarize LASERS results of operations for the same periods by reporting the additions to and deductions from fiduciary net position.

## CONDENSED COMPARATIVE STATEMENTS OF FIDUCIARY NET POSITION

	2024	2023	2022
Cash and Cash Equivalents	\$ 151,035,155	\$ 504,148,596	\$ 169,121,709
Receivables	175,586,154	186,608,234	162,762,631
Investments	15,706,538,331	13,870,632,376	13,009,850,747
Securities Lending Cash Collateral <sup>1</sup>	835,926,581	952,914,519	967,955,826
Capital Assets	4,960,178	5,233,502	5,840,563
<b>Total Assets</b>	<b>\$ 16,874,046,399</b>	<b>\$ 15,519,537,227</b>	<b>\$ 14,315,531,476</b>
<b>Deferred Outflows of Resources</b>	<b>2,264,613</b>	<b>2,789,757</b>	<b>3,894,299</b>
Accounts Payable & Other Liabilities	69,760,654	64,034,288	111,172,534
Securities Lending Obligations <sup>1</sup>	835,732,249	952,795,025	968,184,946
<b>Total Liabilities</b>	<b>\$ 905,492,903</b>	<b>\$ 1,016,829,313</b>	<b>\$ 1,079,357,480</b>
<b>Deferred Inflows of Resources</b>	<b>4,623,811</b>	<b>6,503,882</b>	<b>1,488,155</b>
<b>Net Position Restricted for Pensions</b>	<b>\$ 15,966,194,298</b>	<b>\$ 14,498,993,789</b>	<b>\$ 13,238,580,140</b>

## CONDENSED COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

	2024	2023	2022
Employer Contributions	\$ 966,275,149	\$ 913,548,946	\$ 833,985,463
Employee Contributions	186,150,061	179,418,188	167,117,810
Legislative Acts Income	30,121,925	376,542,786	21,831,939
Net Investment Income (Loss)	1,847,213,745	1,380,564,101	(1,015,958,553)
Other Income	14,356,874	16,002,426	15,817,950
<b>Total Additions</b>	<b>\$ 3,044,117,754</b>	<b>\$ 2,866,076,447</b>	<b>\$ 22,794,609</b>
Retirement Benefits	1,519,526,833	1,550,226,215	1,447,668,471
Refunds and Transfers of Contributions	37,896,771	37,249,292	34,413,878
Administrative Expenses and OPEB <sup>2</sup>	18,611,933	17,351,722	17,676,312
Depreciation and Amortization Expenses	881,708	835,569	800,575
<b>Total Deductions</b>	<b>\$ 1,576,917,245</b>	<b>\$ 1,605,662,798</b>	<b>\$ 1,500,559,236</b>
<b>Net Increase (Decrease)</b>	<b>1,467,200,509</b>	<b>1,260,413,649</b>	<b>(1,477,764,627)</b>
<b>Net Position Beginning of Year</b>	<b>14,498,993,789</b>	<b>13,238,580,140</b>	<b>14,716,344,767</b>
<b>Net Position End of Year</b>	<b>\$ 15,966,194,298</b>	<b>\$ 14,498,993,789</b>	<b>\$ 13,238,580,140</b>

<sup>1</sup> Securities lending, or stock lending, refers to the lending of securities by one party to another. The terms of the loan will be governed by a "Securities Lending Agreement," which requires that the borrower provides the lender with collateral, in the form of cash, government securities, or a Letter of Credit of value equal to or greater than the loaned securities. <sup>2</sup> OPEB - Other Postemployment Benefits

# INVESTMENT PERFORMANCE

Photographer: Julie Cannon

The fiscal year had a strong start, with July 2023 yielding positive returns in nearly every asset class, except for U.S. Investment Grade Fixed Income, which was only slightly down. The following three months posted negative returns across the market spectrum, while November reversed course and brought strong returns. For the remainder of the fiscal year, all months, with the exception of April 2024, provided positive returns. Equity markets were exceptionally favorable, earning double-digits across the globe. Focus was on inflation and when the Federal Reserve might begin lowering its target federal funds rate which sat at 5.5% since July. A rate cut was looking more likely to be on the horizon as the fiscal year came to a close, and markets maintained their momentum.

For the fiscal year ended June 30, 2024, the Louisiana State Employees' Retirement System (LASERS) earned a 14.0% gross-of-fees<sup>i</sup>, time-weighted return on investments. As a result, the total gross-of-fee investment value of the fund

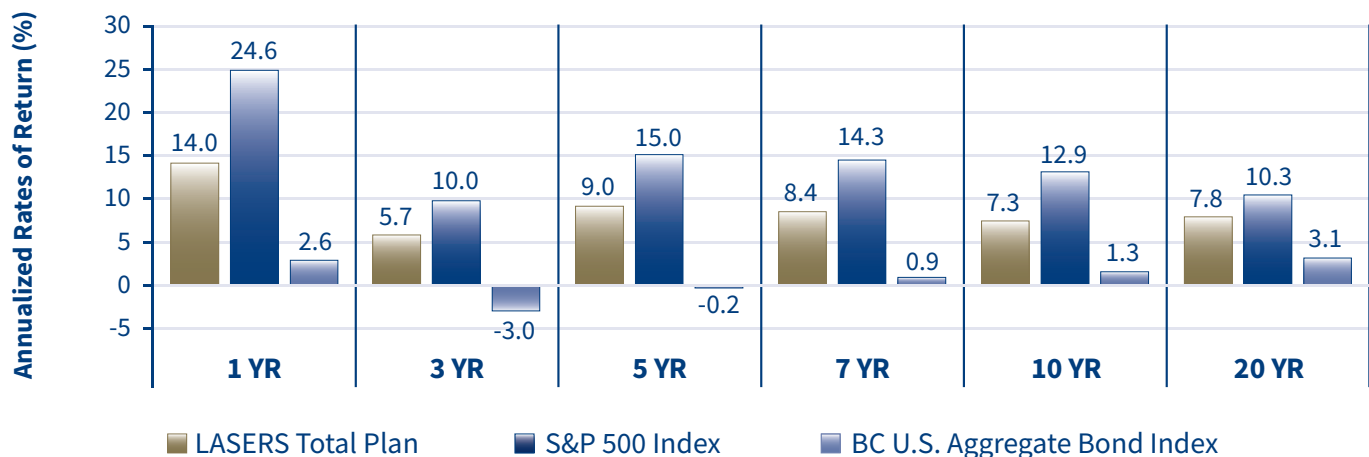
as of June 30, 2024, exceeded \$15.0 billion. This return places LASERS in the top seventh percentile for the one-year period, as compared to other public pension plans with fair values greater than \$1 billion in the Wilshire Trust Universe Comparison Service (TUCS)<sup>ii</sup>.

Longer-term annualized rates of return are 12.8% and 12.5% for the two- and four-year periods respectively, 9.0% for the five-year period, 9.3% for the 8-year period, and 7.3% for the ten-year period. As always, LASERS maintains its commitment to a broadly diversified portfolio and seeks to achieve results greater than its actuarial discount rate of return of 7.25% with the least possible amount of risk. Carefully underwritten and conservative assumptions for future expected returns have been adopted, and the investment portfolio is structured to optimize the risk/return trade-off. The charts illustrate our investment returns and asset allocations.

## ANNUALIZED INVESTMENT RETURNS<sup>iii</sup>

As of June 30, 2024

Years	1	3	5	7	10	20
LASERS Total Plan	14.0%	5.7%	9.0%	8.4%	7.3%	7.8%
S&P 500 Index	24.6%	10.0%	15.0%	14.3%	12.9%	10.3%
BC U.S. Aggregate Bond Index <sup>iiii</sup>	2.6%	-3.0%	-0.2%	0.9%	1.3%	3.1%



<sup>i</sup>LASERS custodian bank serves as book of record and calculates investment performance on behalf of the Plan.

<sup>ii</sup>Based on Wilshire's TUCS Rankings dated August 23, 2024.










<sup>iii</sup>Investment Performance calculated for periods over one year use monthly returns geometrically linked to calculate annualized "time-weighted" rates of return. All returns presented are calculated gross-of-fees one quarter in arrears. Investment Performance does not include Self-Directed Plan and Optional Retirement Plan funds.

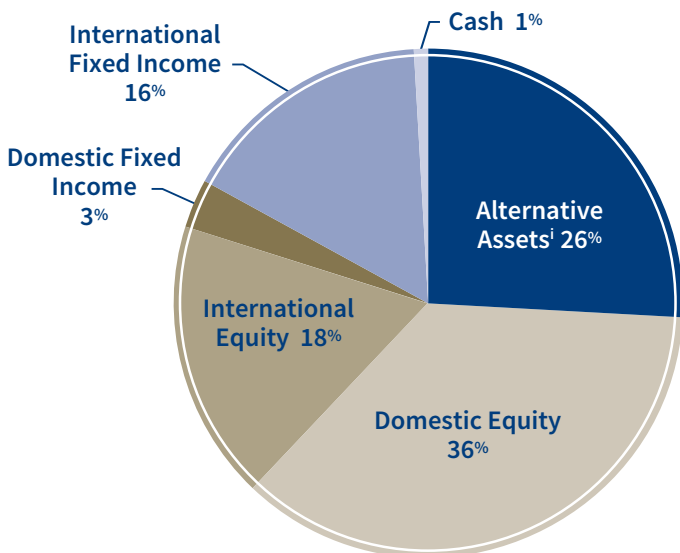
<sup>iiii</sup>Barclays Capital U.S. Aggregate Bond Index is a commonly used index for measuring the performance of the U.S. bond market.

# LASERS INVESTS IN LOUISIANA

Photographer: Rob Wood

LASERS supports Louisiana by investing in companies that impact local economies. For the fiscal year ended June 30, 2024, LASERS invested approximately \$1.9 billion in Louisiana stocks, bonds, and private markets. The table below illustrates the top ten companies headquartered in Louisiana in which LASERS invests.

COMPANY	LOUISIANA HEADQUARTERS	MARKET VALUE
VENTURE GLOBAL LNG	Cameron & Plaquemine	\$ 95,100,000
 United Utility POWER SERVICES	New Orleans	\$ 19,447,779
 EPIC PIPING	Baton Rouge	\$ 17,737,934
 LEMOINE	Baton Rouge	\$ 15,932,584
 Brown & Root	Baton Rouge	\$ 14,076,597
THE  GRAY SURETY	Mandeville	\$ 12,412,108
 Allied Power	Baton Rouge	\$ 11,383,125
 NATIONAL WATER INFRASTRUCTURE	Prairieville	\$ 8,844,340
 FLORIDA MARINE FMT Transporting America's Resources	Mandeville	\$ 6,449,830
 Republic FINANCE	Baton Rouge	\$ 5,798,186



## ASSET ALLOCATION

As of June 30, 2024

ASSET CLASS	TARGET	ACTUAL
Cash	0%	1%
Domestic Equity	34%	36%
International Equity	17%	18%
Domestic Fixed Income	3%	3%
International Fixed Income	19%	16%
Alternative Investments	27%	26%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

<sup>i</sup>Traditional assets include investments such as stocks, bonds, and money market accounts. Alternative investments include all non-traditional investments and are often made through hedge fund or private market structures. Examples include investments in commodities, energy, real estate, start-up companies, and hedged strategies.

# ACTUARIAL SUMMARY

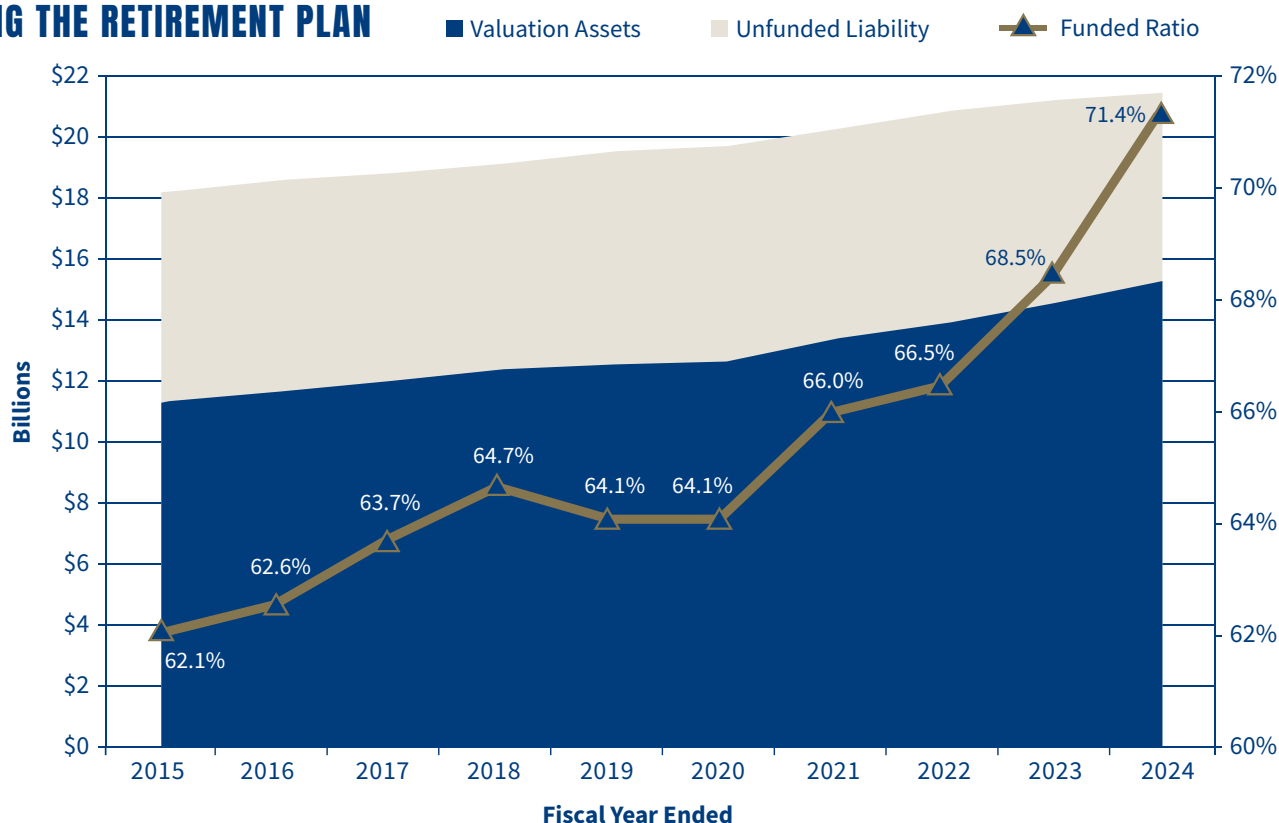
Photographer: Rob Wood

Your retirement benefits are funded by employee contributions, contributions from the State of Louisiana, and cumulative investment earnings. In order to ensure your benefits are available to you, LASERS is constantly evaluating the Plan's assets relative to the value of the liabilities. Accrued liabilities are liabilities which have occurred, but have not been paid. For fiscal year ending 2024, our funding ratio increased to 71.4% and the System's unfunded actuarial accrued liability decreased to \$6.1 billion, primarily a result of amortization payments, an investment experience gain, other experience gain, and an employer contribution surplus. The funded ratio is measured by the plans valuation assets divided by the total actuarial accrued liability. The ratio is a measure for evaluating

the sufficiency of plan assets to cover the estimated cost of the Plan's obligations.

Over the past several years, LASERS has reduced the discount rate from 8.25% to 7.25% and changed the actuarial cost method from projected unit credit to entry age normal which in total have increased the unfunded accrued liability. If not for these changes, the funded ratio would be approximately 78.7%. However, these changes have improved the financial stability of the Plan by reducing the potential for future contribution rate increases. If all actuarial assumptions are realized, the funded ratio is expected to steadily increase as unfunded liabilities are amortized in accordance with the Plan's funding policy.

## FUNDING THE RETIREMENT PLAN



## NET PENSION LIABILITY OF EMPLOYERS

Total Pension Liability is the actuarial present value of projected benefit payments by a pension plan. The Employers' Net Pension Liability is the portion of Total Pension Liability not covered by plan assets (Plan Fiduciary Net Position) that employers owe the System. The net pension liability of LASERS employers as of June 30, 2024, 2023, and 2022 were as follows:

	2024	2023	2022
Total Pension Liability	\$ 21,404,414,095	\$ 21,192,522,129	\$ 20,798,321,945
Plan Fiduciary Net Position	15,966,194,298	14,498,993,789	13,238,580,140
Employers' Net Pension Liability	\$ 5,438,219,797	\$ 6,693,528,340	\$ 7,559,741,805
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>74.6%</b>	<b>68.4%</b>	<b>63.7%</b>

# MEMBERSHIP SUMMARY

Photographer: Deborah Lerch

## MEMBERS SNAPSHOT June 30, 2024 Actuarial Valuation

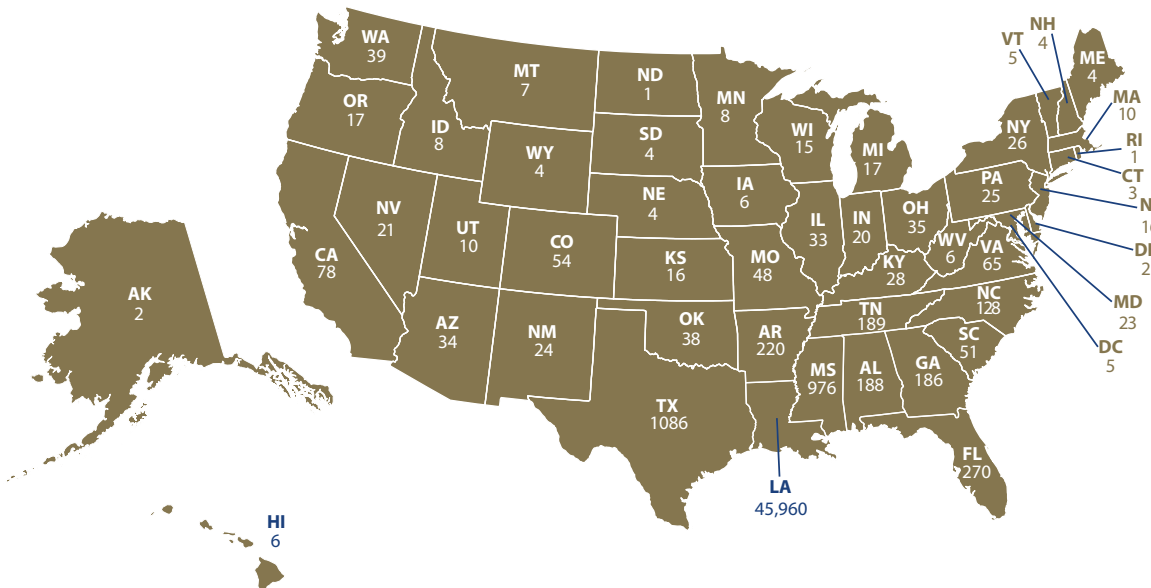
Active Members		Total Membership	
Average Age	45.4	Active	39,089
Average Years of Service	10.2	Retired	41,989
Average Annual Salary	\$57,442	Disability Retirees	1,751
<b>DROP Accrual<sup>1</sup></b>		Survivors	6,308
Average Age	58.0	Terminated-Vested	4,012
Average Annual Benefit	\$39,279	Terminated-Nonvested	61,372
<b>Retired Members</b>		DROP Accrual	961
Average Age	71.8	<b>Total</b>	<b>155,482</b>
Average Annual Benefit	\$28,131		

<sup>1</sup>Deferred Retirement Option Plan accrual which pertains to the participants contributing to the deferred retirement plan.

## MEMBERSHIP RETIRING During the Fiscal Year Ended June 30, 2024

Years Credited by Service Category	< 5	5-10	10-15	15-20	20-25	25-30	30+	All Members
Average Monthly Benefit	-	\$821	\$1,317	\$2,027	\$2,641	\$3,759	\$4,845	\$3,109
Final Average Monthly Compensation	-	\$4,736	\$4,333	\$4,819	\$5,081	\$5,717	\$6,436	\$5,431
Number of Retirees	-	93	175	226	257	346	384	1,481

## LOCATION OF LASERS BENEFIT RECIPIENTS<sup>1</sup>



Australia	1
Austria	1
Bulgaria	1
Canada	4
Colombia	2
France	1
Germany	1
Ghana	1
India	1
Korea	1
Mexico	1
Netherlands	1
Phillippines	2
Portugal	1
Sweden	1
Thailand	1
Virgin Islands	1
<b>TOTAL</b>	<b>22</b>

<sup>1</sup>Recipients include regular, disability, and survivor retirees

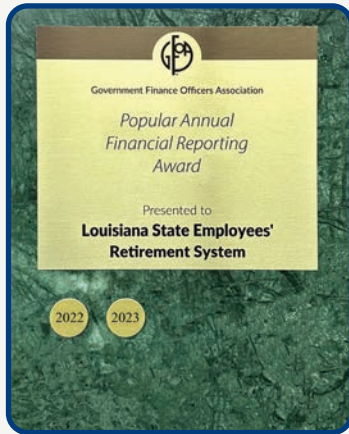
## 2024 LEGISLATIVE UPDATE

The 2024 Regular Session of the Louisiana Legislature resulted in the passage of the following legislation which impacts the Plan administered by LASERS:

**ACT 46** - Specifies that for transfers between systems, “employer contributions” are defined as only those employer contributions that are actuarially required.

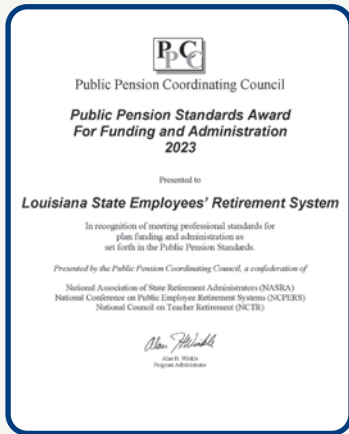
**ACT 776** - Makes a supplemental appropriation of \$9.9 million to LASERS to apply to the balance of the Initial Unfunded Accrued Liability.

# AWARDS: GFOA & PUBLIC PENSION STANDARDS



## GFOA AWARD

The Government Finance Officers Association of the United States of America and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to LASERS for its Popular Annual Financial Report for the fiscal year ended June 30, 2023. This prestigious national award recognizes excellence for readily understood financial reports that are less technical in nature, while providing interesting financial, actuarial, and historical information. This is the 25<sup>th</sup> consecutive year that LASERS has received this award.



## PUBLIC PENSION STANDARDS AWARD

LASERS received the Public Pension Coordinating Council's (PPCC) 2023 Public Pension Standards Award in recognition of achieving high professional standards in the areas of plan design and administration, benefits, actuarial valuations, financial reporting, investments, and disclosures to members. LASERS is proud to have received this award for the 20<sup>th</sup> consecutive year.



### PHONE:

225.922.0600

### TOLL-FREE:

800.256.3000

### FAX:

225.935.2856



### BUSINESS HOURS:

Monday - Friday  
7:30 a.m. - 4:00 p.m.

### SOCIAL/WEB:



[www.lasersonline.org](http://www.lasersonline.org)



### MAILING ADDRESS:

P.O. Box 44213  
Baton Rouge, LA 70804-4213

### STREET ADDRESS:

8401 United Plaza Blvd.  
Baton Rouge, LA 70809

**LASERS MISSION:** To provide a sound retirement plan for our members through prudent management and exceptional service.

**LASERS VISION:** Confidence in our service, assuring financial security for your future.

**LASERS CORE VALUES:** Highest Ethical Standards, Integrity, and Prudent Management.

*The Louisiana State Employees' Retirement System (LASERS) distributed this document digitally. No publication costs were incurred.*