

May 28, 2026

Board of Trustees
Louisiana State Employees' Retirement System
Post Office Box 44213
Baton Rouge, Louisiana 70804 4213

Dear Board Members:

This letter presents revisions to the June 30, 2025 Actuarial Valuation Report, which was adopted by the LASERS Board of Trustees on September 25, 2025. HB312 of the 2026 Regular Legislative Session currently provides appropriations to LASERS totaling \$145,443,983. The blue text on the attached pages are the revisions to the previously adopted valuation report if the bill is fully enacted. Note only the values impacting the projected actuarially required contributions for fiscal year ending 2027 have changed.

If you have any questions or care to discuss this matter further, please do not hesitate to contact us.

Sincerely,



Shelley R. Johnson, ASA, MAAA



D. Patrick McDonald, FSA, EA, MAAA, FCA

PRESENTATION OF VALUATION RESULTS

SUMMARY OF VALUATION RESULTS

		----- Prior Years -----		
		June 30, 2025	June 30, 2024	June 30, 2023
I.	Membership Census			
	Retirees	50,011	50,048	49,928
	Actives	39,421	39,089	38,414
	DROP	886	961	1,030
	Terminated Vested	4,055	4,012	3,959
II.	Annual Benefits	\$1,469,944,728	\$1,445,650,956	\$1,419,482,064
III.	Total Payroll	2,376,382,677	2,258,228,252	2,188,647,582
IV.	Market Value of Assets	17,223,211,406	15,966,194,298	14,498,993,789
	Valuation Assets	16,180,883,301	15,291,116,909	14,512,703,270
V.	Experience Account	234,460,897	26,579,194	24,483,783
	COLA Account	36,181,187	N/A	N/A
VI.	Investment Yield			
	Market Value (Total Assets)	11.45%	12.92%	10.63%
	Market Value (Excl. Self Directed, ORP)	11.74%	13.31%	10.99%
	Actuarial Value	11.41%	8.26%	6.07%
	DROP	10.91%	7.76%	5.57%
VII.	Total Normal Cost	293,462,313	278,108,826	243,718,504
	Total Normal Cost (% of Payroll)	12.35%	12.32%	11.14%
	Employer Normal Cost (% of Payroll)	4.19%	4.18%	3.02%
VIII.	Unfunded Actuarial Accrued Liability (UAAL)	5,550,445,803	6,113,297,186	6,679,818,859
	Funded Percentage	74.5%	71.4%	68.5%
	UAAL w/o discount rate/method changes ¹	3,607,482,148	4,130,131,216	4,659,168,214
	Funding % w/o discount rate/method changes ¹	81.8%	78.7%	75.7%
IX.	Funding Requirements (Mid-Year)			
	1) Employee Contribution	197,236,678	186,195,215	178,087,693
	Avg. Employee Contribution Rate	8.16%	8.14%	8.12%
	2) Restated Required Employer Contribution	790,085,949	777,860,227	882,634,539
	Aggregate Rate (Current Year) ²	32.69%	34.01%	40.2%
	Restated Expected Contribution (Current Year)	819,885,800	810,200,800	918,950,044
	3) Projected Required Employer Contribution	738,739,078	785,817,574	779,924,190
	Proj. Aggregate Rate (Next Year) ²	30.05%	33.92%	35.42%

¹ Approximate values if not for the discount rate changes from 8.25% and change to entry age normal cost method.

² Aggregate employer contribution rate for all plans, net of special sub-plan direct UAL payments.

PROJECTED CONTRIBUTION RATES BY PLAN

Louisiana statutes require the employer contribution rate to be determined separately for each plan as shown in the table below. The normal cost portion of each plan’s employer contribution rate varies based upon plan benefits, member demographics, actuarial assumptions, and the rate contributed by employees. The shared UAL contribution rate is determined in aggregate for all plans. The UAL established due to a specific plan or group of plans due to legislation will be allocated entirely to that/those plan(s). The Rank and File Employer Contribution Rate includes the Appellate Law Clerks plan costs, per the Public Retirement Systems’ Actuarial Committee (PRSAC). The dollar amounts of the aggregate funding requirements for LASERS are shown in Section III.

Projected Contribution Rates by Plan (Fiscal Year 2026/2027)									
Plan	Plan Status	Total		Admin Expense %	Shared UAL %	Plan Specific UAL %	AFC (COLA Funding) %	Total Employer Cont. % (C+D+E+F+G)	
		Normal Cost % (A)	Employee NC % (B)						
Rank & File, App. Law Clerks	Open	11.26%	7.86%	3.40%	0.87%	22.98%	0.00%	2.00%	29.25%
Judges and Court Officers	Closed	18.54%	11.50%	7.04%	0.87%	22.98%	0.00%	2.00%	32.89%
Legislators	Closed	17.81%	11.50%	6.31%	0.87%	22.98%	0.00%	2.00%	32.16%
Special Legislative	Closed	17.81%	9.50%	8.31%	0.87%	22.98%	0.00%	2.00%	34.16%
Corrections - Primary	Closed	8.80%	9.00%	-0.20%	0.87%	22.98%	1.65%	2.00%	27.30%
Corrections - Secondary	Closed	16.23%	9.00%	7.23%	0.87%	22.98%	0.29%	2.00%	33.37%
Wildlife	Closed	25.70%	9.50%	16.20%	0.87%	22.98%	0.06%	2.00%	42.11%
Peace Officers	Closed	14.87%	9.00%	5.87%	0.87%	22.98%	0.08%	2.00%	31.80%
Alcohol Tobacco Control	Closed	16.46%	9.00%	7.46%	0.87%	22.98%	0.04%	2.00%	33.35%
Bridge Police	Closed	13.80%	8.35%	5.45%	0.87%	22.98%	0.05%	2.00%	31.35%
Judges (Act 992)	Open	18.66%	13.00%	5.66%	0.87%	22.98%	0.00%	2.00%	31.51%
Hazardous Duty (Act 992)	Open	19.39%	9.50%	9.89%	0.87%	22.98%	0.01%	2.00%	35.75%
Harbor Police Plan	Closed	18.94%	9.00%	9.94%	0.87%	22.98%	0.12%	2.00%	35.91%
Aggregate LASERS Plans		12.35%	8.16%	4.19%	0.87%	22.98%	0.01%	2.00%	30.05%

CHANGES SINCE PRIOR VALUATION

There were no changes in assumptions or methods from the prior valuation.

CHANGE IN FUNDING REQUIREMENTS

Changes in the required contribution are generally the result of gains or losses resulting from actual experience differing from expected plan experience, expected changes in the UAL payment due to statutory requirements, and changes in actuarial assumptions or methods. Changes in the employer contribution rate are impacted by both the change in the total dollar required contribution and by the total aggregate payroll for active members.

Restated Current Rate: The aggregate employer contribution rate established by the Public Retirement Systems' Actuarial Committee for fiscal year 2025/2026 was 33.92%. The restated employer contribution rate determined by this valuation for this period is 32.69%. Therefore, an employer contribution surplus of 1.23% of payroll is expected next year. The actual surplus, if any, will be credited to the Experience Account Amortization Base and will be used to reduce future employer contributions.

Change in Projected Rate: The projected aggregate employer contribution rate decreased from 33.92% for fiscal year 2025/2026 to 30.05% for fiscal year 2026/2027. The Account Funding Contribution (AFC) rate for fiscal year 2026/2027 is determined as the lesser of 2.00% or the maximum AFC Rate of 2.50%. Therefore, the AFC rate is increasing by 0.25%, from 1.75% to 2.00%.

The reasons for other changes are detailed below. The sum of the items below may not exactly equal the actual contribution rate change due to rounding and since the items impacting the rate are not additive and may overlap.

Employer Contribution Rate Change Breakdown	
Employer Normal Cost Rate	
Member Demographics	0.01%
Payroll Change Impact on UAL Payment	-1.57%
UAL Payment Rate	
Investment Experience Gain	-1.66%
Other Experience Loss	0.37%
Experience Account Allocation	1.16%
Employer Contribution Surplus	0.00%
Legislative Acts Income ¹	-2.46%
Total UAL Payment Rate Change	-2.59%
Administrative Expense Rate Change	0.01%
AFC Rate (COLA Funding Account)	0.25%
Total Change	-3.89%
Actual Contribution Rate Change	-3.87%

CHANGE IN UNFUNDED ACCRUED LIABILITY

Below is a reconciliation of the change in the plan's unfunded accrued liability (UAL).

Change in Unfunded Accrued Liability	
Unfunded Accrued Liability - June 30, 2024	\$ 6,113,297,186
Interest and Payments	
Interest on Unfunded Liability	443,214,046
Amortization Payments	(651,233,846)
Decreases	
Investment Experience Gain	(581,751,752)
Employer Contribution Surplus	(77,946,445)
Increases	
Other Experience Loss	98,987,368
Experience Account Allocation	204,847,954
Legislative Acts Income ¹	1,031,292
Total Change	(562,851,383)
Unfunded Accrued Liability - June 30, 2025	\$ 5,550,445,803

¹ 2025 includes \$2,714 in litter fines, \$7,594 in appropriations from Act 461 of 2025, and a \$1,041,600 loss in mineral revenue from Act 679 of 2016 resulting from overestimating the 2024 receivable. [HB 312 of 2026 appropriated \\$145,443,983 to LASERS, which impacts the projected employer contribution for FYE 2027 and reduces the projected UAL as of June 30, 2026.](#)

Section III
DEVELOPMENT OF COSTS, LIABILITIES AND CONTRIBUTIONS

LASERS Actuarial Valuation
June 30, 2025

	June 30, 2025	--- Prior Year --- June 30, 2024
II. Actuarial Accrued Liability	21,731,329,104	21,404,414,095
III. Valuation Assets	16,180,883,301	15,291,116,909
IV. Unfunded Actuarial Accrued Liability	5,550,445,803	6,113,297,186
a) Change over prior year	(562,851,383)	(566,521,673)
b) Funded Percentage	74.5%	71.4%
V. Restated Employer Contributions		
Applicable to Fiscal Year Ending ¹	June 30, 2026	June 30, 2025
a) Employer Portion of Normal Cost	101,255,860	95,507,509
b) Administrative Expenses	21,000,000	19,500,000
c) Amortization Payments	625,826,323	628,837,327
d) Prior Contribution Variance Amort. Pmt	-	-
e) COLA Funding Account Contribution	42,299,533	34,311,158
TOTAL Required Contribution	<u>790,381,716</u>	<u>778,155,994</u>
Less Direct UAL Payments ²	<u>295,767</u>	<u>295,767</u>
NET contribution required	790,085,949	777,860,227
Aggregate Contribution Rate	32.69%	34.01%
PRSAC Approved rate	33.92%	35.42%
VI. Projected Employer Contributions		
Applicable to Fiscal Year Ending ¹	June 30, 2027	June 30, 2026
a) Employer Portion of Normal Cost	102,994,804	96,732,785
b) Administrative Expenses	21,500,000	20,000,000
c) Amortization Payments	565,367,498	628,837,327
d) Prior Contribution Variance Amort. Pmt	-	-
e) COLA Funding Account Contribution	49,172,543	40,543,229
TOTAL Required Contribution	<u>739,034,845</u>	<u>786,113,341</u>
Less direct UAL payments ²	<u>295,767</u>	<u>295,767</u>
NET contribution required	738,739,078	785,817,574
Projected Aggregate Contribution Rate	30.05%	33.92%
Projected Rank and File Employer Normal Cost Rate	3.40%	3.42%
Projected Aggregate Employer Normal Cost Rate	4.19%	4.18%
VII. Payroll		
Annualized Payroll on Valuation Date	2,376,382,677	2,258,228,252
Projected Payroll - Next Fiscal Year	2,417,116,155	2,287,410,501
Projected Payroll - Next Fiscal Year + 1	2,458,627,129	2,316,755,940

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

² Direct UAL payments for Act 414 are not included in the employer contribution rate.

AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY
June 30, 2026 (Projected)

Date	Description	Notes ¹	Amtz. Period	Initial Liability	Years Remain	Remaining Balance	Mid-Year Payment
Shared UAL							
2024	OAB	Note 1	5	255,012,685	0	0	0
2024	EAAB	Note 2	16	1,500,384,675	14	1,141,819,741	155,915,064
2022	2009 Change in Assumptions		17	(178,405,518)	13	(153,197,981)	(17,951,515)
2022	2009 Change in Liability		17	1,112,629,282	13	955,422,018	111,954,954
2022	2010 Change in Liability		18	521,853,857	14	455,077,759	51,002,216
2022	2011 Change in Liability		19	73,753,082	15	65,183,083	7,020,145
2022	Change in Lia (Assumed Rate)		20	309,973,510	16	277,186,965	28,804,362
2022	Change in Lia (Experience)		20	236,388,676	16	211,385,353	21,966,474
2022	Change in Asset Val Method		21	(75,271,792)	17	(68,009,065)	(6,843,206)
2022	Change in Lia (Experience)		21	(477,455,495)	17	(431,387,388)	(43,407,050)
2022	2014 Assumption Change		22	653,388,139	18	595,769,717	58,226,217
2022	2014 Method Change		22	560,381,276	18	510,964,577	49,937,976
2022	2014 Non-Inv Experience Gain		22	(55,124,508)	18	(50,263,405)	(4,912,381)
2022	2015 Experience Gain		23	(140,763,130)	19	(129,398,853)	(12,316,755)
2022	2016 Experience Loss		24	157,304,483	20	145,659,951	13,535,486
2022	2017 Discount Rate/Salary Chg		25	39,396,367	21	36,718,648	3,338,213
2022	2017 Experience Gain		25	(80,540,833)	21	(75,066,580)	(6,824,550)
2022	2018 Experience Loss		26	2,130,998	22	1,997,842	178,036
2022	2018 Discount Rate Change		26	79,667,604	22	74,689,538	6,655,905
2022	2019 Discount Rate/Assumptions		27	66,528,805	23	62,702,758	5,486,483
2022	2019 Experience Loss		27	369,464,619	23	348,216,844	30,468,928
2022	2020 Inv and Other Experience		28	274,302,700	24	259,768,910	22,352,181
2022	2020 Discount Rate/Salary Change		28	51,859,794	24	49,112,029	4,225,913
2022	2021 Inv and Other Experience		29	(147,984,784)	25	(140,754,080)	(11,926,661)
2022	2021 Experience Account Allocation		9	72,183,944	5	45,605,759	10,812,288
2022	2021 Discount Rate Change		29	266,973,954	25	253,929,305	21,516,455
2022	2022 Inv and Other Experience		30	125,570,503	26	119,907,633	10,017,796
2022	2022 Discount Rate Change		30	274,893,478	26	262,496,571	21,930,522
2023	2023 Inv and Other Experience		30	432,910,429	27	418,791,893	34,536,839
2024	2024 Experience Account Allocation		10	72,561	8	61,805	10,091
2024	2024 Inv and Other Experience		20	76,029,639	18	72,289,706	7,065,072
2024	2024 Assumption Change		10	(52,803,536)	8	(50,206,106)	(4,906,781)
2025	2025 Inv and Other Experience		20	(338,982,640)	19	(330,936,941)	(31,500,042)
2025	2025 Experience Account Allocation		10	204,847,954	9	190,195,734	28,489,038
Plan Specific UAL							
2022	Act 414 - Chg in Lia		15	2,746,245	11	2,268,524	295,767
2022	Act 224 and 595	Note 3	6	450,071	2	171,444	91,881
2022	Act 595 retro	Note 3	7	675,774	3	330,432	122,137
Subtotal						\$ 5,128,504,140	\$ 565,367,498
Contribution Variance Credit Balance						\$ -	\$ -
Total Unfunded Actuarial Accrued Liability						\$ 5,128,504,140	\$ 565,367,498

¹ See UAL Amortization Schedule Notes within this Appendix.

UAL AMORTIZATION SCHEDULES NOTES

Act 497 of 2009 consolidated all LASERS amortization schedules established on or before July 1, 2008, except those established due to benefit changes for a specific plan, into two schedules: the Original Amortization Base (OAB) and the Experience Account Amortization Base (EAAB). The OAB, which consists of the outstanding balance of the Initial Unfunded Accrued Liability (IUAL) and other schedules with negative outstanding balances, was credited with the balance of funds from the IUAL fund. The EAAB consists of the 2004 schedule and all other remaining schedules. The outstanding balance of this schedule was credited with funds from the IUAL subaccount, which were originally transferred from the Employee Experience Account on June 30, 2009. The EAAB payment schedule is prescribed by statute, as described in Note 2 below.

Note 1: The OAB includes the IUAL and certain negative bases that existed prior to 2009: The new combined balance was credited with funds from IUAL Account. The OAB was reduced by \$50 million on June 30, 2013, and reamortized. The OAB was reduced by appropriations paid to LASERS per Act 368 of 2015, Act 59 of 2018, Act 50 of 2019, Act 255 of 2020, Act 120 of 2021, Act 170 of 2022, Act 397 of 2023, Act 776 of 2024 and Act 461 of 2025. This schedule was reamortized to its original pay-off date of 2029 on June 30, 2019, June 30, 2021, and June 30, 2024, per Act 95 of 2016. [The schedule will be paid off on June 30, 2026, with the funds appropriated by HB 312 of 2026.](#)

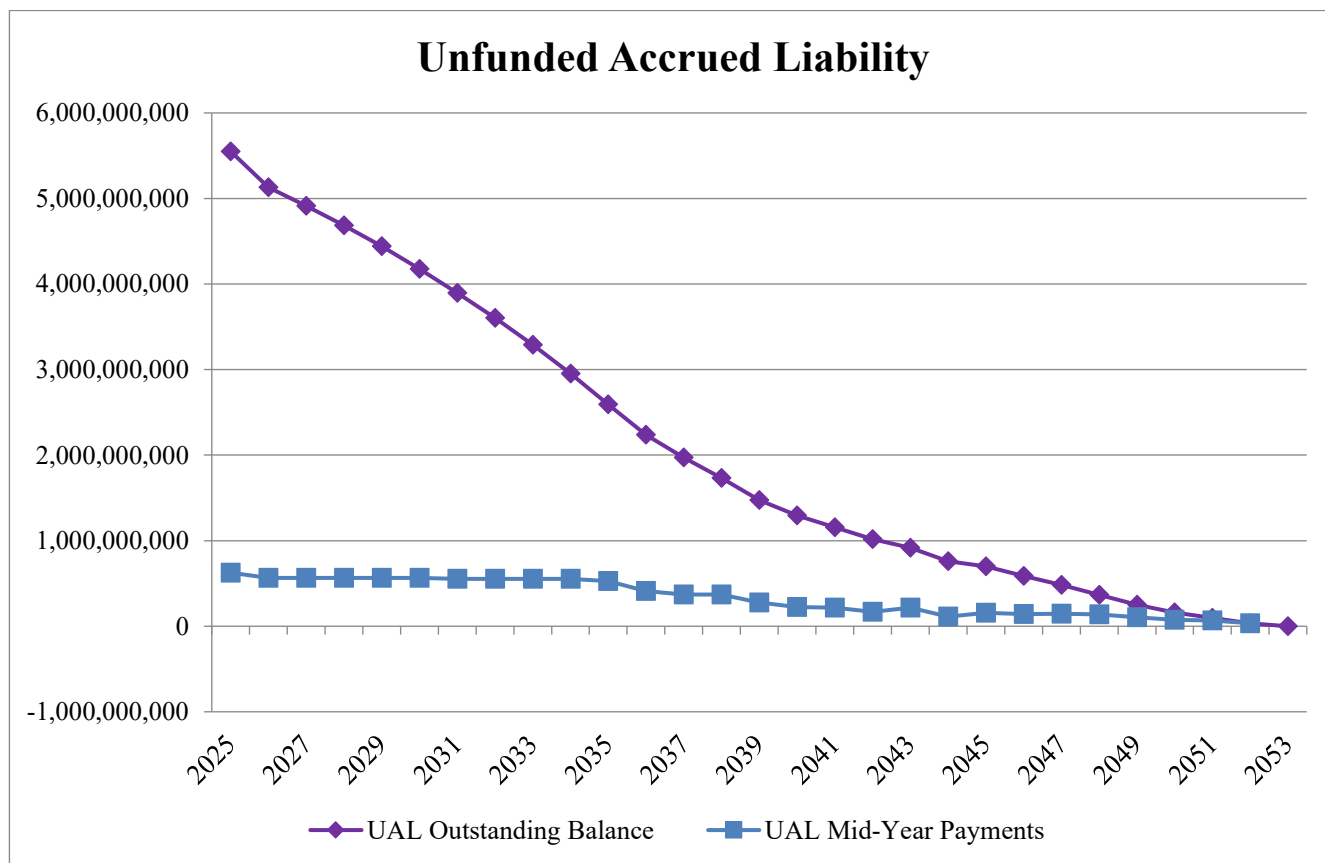
Note 2: The EAAB includes the liability resulting from Act 588 of 2004 which zeroed out the Experience Account, and certain other positive schedules that existed prior to 2009. The new combined balance was credited with funds from the sub-account of the IUAL Fund, which were transferred from the Experience Account on June 30, 2009. The EAAB was reduced by \$50 million on June 30, 2013 and reamortized. This schedule was reamortized to its original pay-off date of 2040 on June 30, 2019, and June 30, 2024, per Act 95 of 2016.

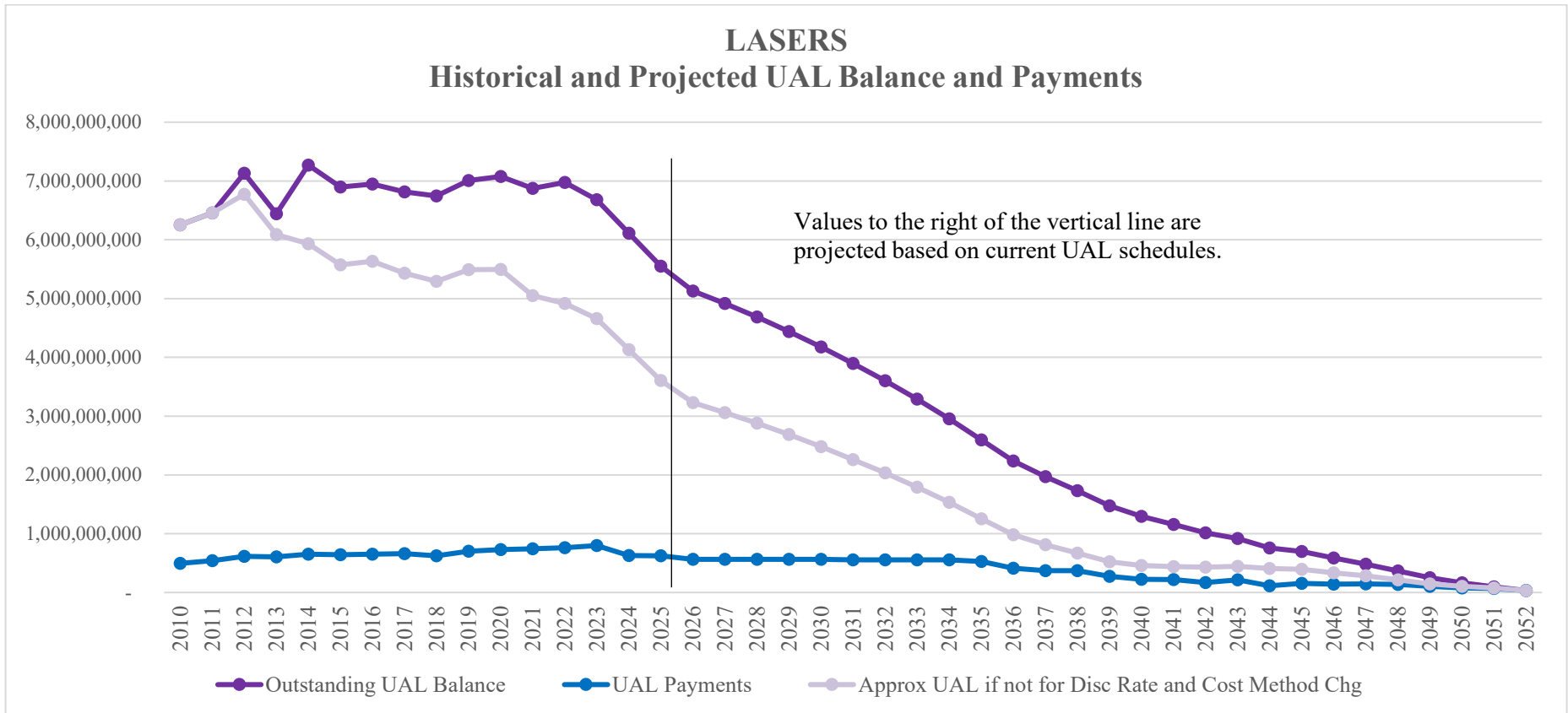
Note 3: [Act 414 of 2007](#) increased the accrual rate for certain Peace Officers. The resulting UAL increase is funded with annual payments over 30 years from the Department of Public Safety Peace Officers' Fund. [Act 224 of 2018](#) provides for a 100 percent survivor benefit for any member eligible for Hazardous Duty Plan membership, if killed in the line of duty by an intentional act of violence. The benefit increase resulted in a UAL increase for the following plans: Corrections Primary and Secondary, Wildlife, Peace Officers, Alcohol Tobacco Control, Bridge Police, Hazardous Duty, and Harbor Police. The UAL payment is amortized over 10 years and paid by employers of members in each applicable plan via the plan specific UAL payment. [Act 595](#) provides for a disability benefit equal to 100 percent of final average compensation for members of the Hazardous Duty, Corrections Primary and Secondary, Wildlife and Harbor Police plans who are totally and permanently disabled in the line of duty by an intentional act of violence. The change is prospective for current members and retrospective for any eligible retirees. The UAL increase resulting from the prospective and retrospective changes were amortized beginning June 30, 2018, and June 30, 2019, respectively. Both are amortized over 10 years.

Note 4: Per Act 399 of 2014, the 2015 and 2016 contribution variance surpluses were used to reduce the OAB. The 2018-2025 contribution variance surpluses were used to reduce the EAAB. The FYE 2025 contribution variance surplus was updated from last year's projected amount of \$33,401,185 to the actual amount of \$77,946,445.

UAL Outstanding Balance and Payment Schedule
Based on Projected June 30, 2026 UAL Schedules

FY Beginning	UAL Outstanding Balance (Millions)	UAL Mid-Year Payments (Millions)	Payment % Change	FY Beginning	UAL Outstanding Balance (Millions)	UAL Mid-Year Payments (Millions)	Payment % Change
2025	5,550	626	-	2040	1,296	225	-18.5%
2026	5,129	565	-9.7%	2041	1,157	218	-3.1%
2027	4,915	565	0.0%	2042	1,016	167	-23.3%
2028	4,686	565	0.0%	2043	917	217	30.1%
2029	4,440	565	0.0%	2044	759	112	-48.6%
2030	4,177	565	0.0%	2045	698	155	39.2%
2031	3,894	554	-1.9%	2046	587	142	-8.7%
2032	3,602	554	0.0%	2047	483	145	2.5%
2033	3,289	554	0.0%	2048	367	139	-4.7%
2034	2,954	554	0.0%	2049	250	103	-25.9%
2035	2,594	526	-5.1%	2050	162	76	-25.9%
2036	2,237	413	-21.4%	2051	95	66	-12.6%
2037	1,972	370	-10.5%	2052	33	35	-48.1%
2038	1,732	370	0.0%	2053	0	0	-100.0%
2039	1,475	276	-25.4%				





The graph above shows recent and expected future reductions in UAL due in part to the impact of the legislative reforms since 2009, which among other changes, have directed more investment earnings to reducing the UAL debt.

Since 2012, 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 have increased the unfunded accrued liability. However, these changes have improved the financial stability of the plan by reducing the potential for future contribution rate increases. The UAL would be reduced further if not for these recent changes in methods and assumptions.

Components of Original Amortization Base
(Dollar amounts in millions)

FYB	Annual Outstanding Balance					Annual Payments				
	IUAL	IUAL Acct	NET IUAL	Other Schedule s	Total OAB	IUAL	IUAL Acct	NET IUAL	Other Schedule s	Total OAB
2025	477.3	(29.2)	448.2	(308.1)	140.0	206.1	(12.6)	193.5	(133.0)	60.5
2026	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2027	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2028	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2029	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

This table has changed from previously published tables due to legislative appropriations and threshold investment earnings allocated to the IUAL. The values above include the impact of funds appropriated by HB 312 of 2026, which payoff the OAB, effective June 30, 2026.