REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM

ACTUARIAL VALUATION AS OF
JUNE 30, 2014

G. S. CURRAN & COMPANY, LTD.

Actuarial Services

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December 12, 2014

Board of Trustees
Registrars of Voters Employees' Retirement System
P.O. Box 57
Jennings, Louisiana 70546

Ladies and Gentlemen:

We are pleased to present our report on the actuarial valuation of the Registrars of Voters Employees' Retirement System for the fiscal year ending June 30, 2014. Our report is based on the actuarial assumptions specified and relies on the data supplied by the system's administrator and accountants. This report was prepared at the request of the Board of Trustees of the Registrars of Voters Employees' Retirement System. The primary purpose of this report is to determine the actuarially required contribution for the retirement system for the fiscal year ending June 30, 2015, and to recommend the net direct employer contribution rate for fiscal 2016. This report does not contain the information necessary for accounting disclosures as required by Governmental Accounting Standards Board (GASB) Statements 67 and 68; that information is included in a separate report. This report was prepared exclusively for the Registrars of Voters Employees' Retirement System for a specific limited purpose. It is not for the use or benefit of any third party for any purpose.

In our opinion, all of the assumptions on which this valuation is based are reasonable individually and in the aggregate. Both economic and demographic assumptions are based on our expectations for future experience for the fund. This report has been prepared in accordance with generally accepted actuarial principles and practices, and to the best of our knowledge and belief, fairly reflects the actuarial present values and costs stated herein. The undersigned actuaries are members of the American Academy of Actuaries and have met the qualification standards for the American Academy of Actuaries to render the actuarial opinions incorporated in this report, and are available to provide further information or answer any questions with respect to this valuation.

Sincerely,

G. S. CURRAN & COMPANY, LTD.

By: ______________________________

Gary Curran, F.C.A., M.A.A.A., A.S.A.

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Gregory Curran, F.C.A., M.A.A.A., A.S.A.

TABLE OF CONTENTS

SUMMARY OF VALUATION RESULTS
REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM

Valuation Date:		June 30, 2014	June 30, 2013
Census Summary:	Active Members	241	241
	Retired Members and Survivors	151	146
	Terminated Due a Deferred Benefit	5	5
	Terminated Due a Refund	30	35
Payroll:		$ 13,079,549	$ 13,086,633
Benefits in Payment:		$ 3,715,197	$ 3,398,508
Actuarial Asset Value (AVA):		$ 78,797,020	$ 71,052,280
Market Value of Assets (MVA):		$ 80,478,691	$ 69,206,200
Unfunded Actuarial Accrued Liability		NONE	NONE
Actuarial Accrued Liability (Entry Age Normal):		$ 100,506,025	$ 96,236,913
Funded Ratio (MVA//Entry Age Normal Accrued Liability):		80.07%	71.91%

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	FISCAL 2015	FISCAL 2014
Employers' Normal Cost (January 1):	$ 4,720,674	$ 5,196,962
Interest Adjusted Actuarially Required Contributions Including Estimated Administrative Costs:	$ 5,242,684	$ 5,698,532
Projected Ad Valorem and Revenue Sharing	$ 2,746,886	$ 2,625,981
Actuarially Required Net Direct Employer Contributions	$ 2,495,798	$ 3,072,551
Actuarially Required Net Direct Employer Contribution Rate	18.52%	22.58%
Actual Net Direct Employer Contribution Rate:	24.25%	24.25%
Maximum Additional Funding Provided by Ad Valorem Taxes for the Defined Contribution Plan:	**$ 0**	**$ 0**

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Minimum Recommended Net Employer Contribution Rate: Fiscal 2016: 18.50% Fiscal 2015: 22.50%

Employee Contribution Rate: 7.00%

Dedicated Funding: Maximum of 0.0625% of ad valorem taxes plus revenue sharing funds

Actuarial Cost Method: The Aggregate Actuarial Cost Method

Valuation Interest Rate: 7.00% (Net of Investment Expense)

Census Exclusions: All individuals submitted by the system were included in the valuation.

Basis of Actuarial Asset Value: The actuarial value of assets is based on the market value of assets adjusted to phase in asset earnings above or below the assumed rate of return over a five-year period with limits set at 85% and 115% of the market value of assets. When the adjusted value falls outside of the limits, the actuarial value is set equal to the average of the limited and adjusted value.

Changes in Valuation Methods, Assumptions, and/or Amortization Periods: The valuation interest rate was lowered from 7.5% to 7.0% beginning June 30, 2014. In addition the assumed salary increase rate was lowered from 6.75% to 6.00%.

Method of Recognizing Gains and Losses: Under the Aggregate Actuarial Cost Method, actuarial gains and losses are spread over future normal costs.

COMMENTS ON DATA

For the valuation, our office electronically downloaded census information from the system's master data processing file indicating each active covered employee's sex, date of birth, service credit, annual salary, and accumulated contributions. Information on retirees detailing dates of birth of retirees and beneficiaries, as well as option categories and benefit amounts, was provided in like manner. In addition, data was supplied on former employees who are vested or who have contributions remaining on deposit. As illustrated in Exhibit X, there are 241 active members, of whom, 130 members, including 21 participants in the Deferred Retirement Option Plan (DROP), have vested retirement benefits; 151 former members or their beneficiaries are receiving retirement benefits. An additional 35 former members have contributions remaining on deposit with the system; of this number 5 former members have vested rights for future retirement benefits. All individuals submitted were included in the valuation.

Census data submitted to our office is tested for errors. Several types of census data errors are possible; to ensure that the valuation results are as accurate as possible, a significant effort is made to identify and correct these errors. In order to minimize coverage errors (i.e., missing or duplicated individual records) the records are checked for duplicates, and a comparison of the current year's records to those submitted in prior years is made. Changes in status, new records, and previous records, which have no corresponding current record, are identified. This portion of the review indicates the annual flow of members from one status to another and is used to check some of the actuarial assumptions, such as retirement rates, rates of withdrawal, and mortality. In addition, the census is checked for reasonableness in several areas, such as age, service, salary, and current benefits. The records identified by this review as questionable are checked against data from prior valuations; those not recently verified are included in a detailed list of items sent to the system's administrator for verification and/or correction. Once the identified data has been researched and verified or corrected, it is returned to us for use in the valuation. Occasionally some requested information is either unavailable or impractical to obtain. In such cases, values may be assigned to missing data. For this valuation, the number of such records with imputed data is de minimis. The assigned values are based on information from similar records or based on information implied from other data in the record.

In addition to the statistical information provided on the system's participants, the system's administrative director furnished general information related to other aspects of the system's expenses, benefits and funding. Valuation asset values as well as income and expenses for the fiscal year were based on information furnished by the system's auditor, the firm of Duplantier, Hrapmann, Hogan & Maher, L.L.P. As indicated in the system's audit report, the net market value of assets was $80,478,691 as of June 30, 2014. Net investment income for fiscal 2014 measured on a market value basis amounted $9,208,738. Contributions to the system for the fiscal year totaled $7,027,709; benefits and expenses amounted to $4,963,956.

Notwithstanding our efforts to review both census and financial data for apparent errors, we must rely upon the system's administrative staff and accountants to provide accurate information. Our review of submitted information is limited to validation of reasonableness and consistency. Verification of submitted data to source information is beyond the scope of our efforts.

COMMENTS ON ACTUARIAL METHODS AND ASSUMPTIONS

This valuation is based on the Aggregate Actuarial Cost Method. Under the Aggregate Cost Method, actuarial gains and losses are spread over future normal costs. Thus, favorable plan experience will lower future normal costs; unfavorable experience will cause future normal costs to increase. In addition, changes in benefits and assumptions are also spread over future normal costs.

The current year actuarial assumptions utilized for this report (excluding mortality) are based on the results of an actuarial experience study for the period July 1, 2006 – June 30, 2010, unless otherwise specified in this report. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience. In the case of mortality, the data from this plan was combined with three other statewide plans which have similar workforce composition in order to produce more credible experience. The aggregated data was collected over the period July 1, 2004 through June 30, 2009. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. For the Registrars of Voters Employees' Retirement System, the RP-2000 Combined Healthy Mortality Table (set back 3 years for males and 2 years for females) was selected for active members, healthy annuitants, and beneficiaries. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables. The RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

In determining the valuation interest rate consideration was given to several factors. First, we considered consensus estimates of rates of return, standard deviations, and correlation coefficients for asset classes derived from various asset consulting firms. These factors were used to derive forward estimates of the Fund's portfolio earnings rate. Consideration was also given to the June 2012 report by Consulting Services Group and the 2014 Bogdahn Group report on future expected rates of return for the current portfolio asset allocation entitled "Long-Term Return Construction". Although the Bogdahn Group report projects future average portfolio nominal returns above 7.5%, consideration was given to the board's desire to reduce risk for the Fund. As a result, in order to account for that risk, we have lowered the assumed rate of return from 7.5% to 7.0% for the June 30, 2014 valuation. The salary increase rate for the report is 6.0% based on forward estimates of future increases in pay resulting from three sources; inflation, merit, and productivity. An inflation rate of 2.75% was implicit in both the assumed rate of return and rate of salary increases.

Although the board of trustees has authority to grant ad hoc Cost of Living Increases (COLAs) under limited circumstances, these COLAs have not been shown to have a historical pattern, the amounts of the COLAs have not been relative to a defined cost-of-living or inflation index, and there is no evidence to conclude that COLAs will be granted on a predictable basis in the future. Therefore, for purposes of determining the present value of benefits, these COLAs were deemed not to be substantively automatic and the present value of benefits excludes COLAs not previously granted by the board of trustees.

The current year actuarial assumptions utilized for the report are outlined on pages thirty-four through thirty-six. With the exception of the reduction in the valuation interest rate from 7.50% to 7.00% and a reduction in the salary increase rate from 6.75% to 6.00%, all assumptions were the same as those used in the fiscal 2013 valuation. All assumptions used are based on estimates of future long-term experience for the fund. All calculations, recommendations, and conclusions are based on the assumptions specified. To the extent that prospective experience differs from that assumed, adjustments will be required to contribution levels. Such differences will be revealed in future actuarial valuations. The net effect of the changes in assumptions on the normal cost accrual rate was an increase of 4.2483%.

CHANGES IN PLAN PROVISIONS

There were no changes to the system enacted during the 2014 Regular Session of the Louisiana Legislature.

ASSET EXPERIENCE

The actuarial and market rates of return for the past ten years are given below. These rates of return on assets were determined by assuming a uniform distribution of income and expense throughout the fiscal year.

	Market Value	Actuarial Value
2005	6.8%	7.4%
2006	5.2%	7.4%
2007	14.0%	* 13.6%
2008	-3.9%	6.6%
2009	-18.3%	* -6.2%
2010	8.7%	3.8%
2011	16.4%	4.8%
2012	-5.0%	-0.3%
2013	10.1%	1.6%
2014	13.1%	7.9%

* Includes effect of change in asset valuation method.

The market rate of return gives a measure of investment return on a total return basis and includes realized and unrealized capital gains and losses as well as interest income and dividends. This rate of return gives an indication of performance for an actively managed portfolio where securities are bought and sold with the objective of producing the highest total rate of return. During 2014, the fund earned $1,712,946 dividends, interest and other recurring income. Net income was increased by realized and unrealized capital gains on investments of $7,811,859. This income was offset by investment expenses of $316,067. The geometric mean of the market value rates of return measured over the last ten years was 4.2%. For the last twenty years, the geometric mean returns was 5.6%.

The actuarial rate of return is presented for comparison to the assumed long-term rate of return used for the valuation. As of June 30, 2012, the valuation interest rate was 8.0%. In response to a review of the assumed long-term rate of return performed in the course of the development of the 2012 valuation, a recommendation was made to lower the valuation interest rate from 8.0% to 7.5%. In an effort to further reduce risk, the valuation interest rate was lowered to 7.00% as of June 30, 2014. The actuarial rate of return is calculated based on the actuarial value of assets and all interest, dividends, and recognized capital gains as given in Exhibit VI. Investment income used to calculate this yield is based upon a smoothing of investment income above or below the valuation interest rate over a five year period. The difference between rates of return on an actuarial and market value basis results from the smoothing utilized. For fiscal 2014, the system experienced net actuarial investment earnings of $276,074 more than the actuarial assumed earnings rate of 7.5%. In future years, yields in excess of the 7.0% assumption will reduce future costs; yields below 7.0% will increase future costs. The excess earnings in fiscal 2014 produced an actuarial gain, which decreased the normal cost accrual rate by 0.2509%.

DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for the plan is given in Exhibit X. The average active member is 52 years old with 14.16 years of service and an annual salary of $54,272. The system's active membership remained level during the fiscal year. The plan has experienced a decrease in the active plan population of 6 members over the last five years. A review of the active census by age indicates that, over the last ten years, the population in the 31-50 age group has decreased significantly while the proportion of active members in the 50-70 age group have increased. Over the same ten-year period, the proportion of members with 5 – 15 years of service increased with reductions in the proportion of members in other service groups.

The average service retiree is 75 years old with a monthly benefit of $2,353. The number of retirees and beneficiaries receiving benefits from the system increased by 5 during the fiscal year; over the last five years they increased by 13. During this same period, annual benefits in payment increased by $937,851.

Plan liability experience for fiscal 2014 was highly favorable. Liability experience gains were produced by salary increases and withdrawals significantly below projected levels. There were also significant gains produced by persons who remained employed after completion of DROP. Retirements, DROP entries, disabilities, and retiree deaths were at projected levels. Plan liability experience decreased the normal cost accrual rate by 5.2198%.

FUNDING ANALYSIS AND RECOMMENDATIONS
DEFINED BENEFIT PLAN

Actuarial funding of a retirement system is a process whereby funds are accumulated over the working lifetimes of employees in such a manner as to have sufficient assets available at retirement to pay for the lifetime benefits accrued by each member of the system. The required contributions are determined by an actuarial valuation based on rates of mortality, termination, disability, and retirement, as well as investment return and other statistical measures specific to the particular group. Each year a determination is made of the normal cost, and the actuarially required contributions are based on the sum of this value and administrative expenses. Under the funding method used for the plan, changes in plan experience, benefits, or assumptions increase or decrease future normal costs. In addition excess or deficient contributions can decrease or increase future costs.

In order to establish the actuarially required contribution in any given year, it is necessary to define the assumptions and funding method. Thus, the determination of what contribution is actuarially required depends upon the funding method employed. Regardless of the method selected, the ultimate cost of providing benefits is dependent upon the benefits, expenses, and investment earnings. Only to the extent that some methods accumulate assets more rapidly and thus produce greater investment earnings does the funding method affect the ultimate cost.

The derivation of the actuarially required contribution for the current fiscal year is given in Exhibit I. The normal cost for fiscal 2015 as of July 1, 2014 is $4,720,674. The total actuarially required contribution is determined by adjusting the value for interest (since payments are made throughout the fiscal year) and adding estimated administrative expenses. As given on line 12 of Exhibit I the total actuarially required contribution for fiscal 2015 is $5,242,684. When this amount is reduced by projected tax contributions and revenue sharing funds, the resulting employers' net direct actuarially required contribution for fiscal 2015 is $2,495,798 or 18.52% of projected payroll.

Liability and asset experience as well as changes in assumptions and benefits can increase or decrease plan costs. In addition to these factors, any COLA granted in the prior fiscal year would increase required contributions. New entrants to the system can also increase or decrease costs as a percent of payroll depending upon their demographic distribution and other factors related to prior plan experience. Finally, contributions above or below requirements may reduce or increase future costs.

The effects of various factors on the fund's cost structure are outlined below:

Employer's Normal Cost Accrual Rate – Fiscal 2014	39.5367%
Factors Increasing the Normal Cost Accrual Rate:	
Assumption Loss	4.2483%
Factors Decreasing the Normal Cost Accrual Rate:	
Plan Liability Experience	5.2198%
New Members	1.3528%
Contribution Gain	0.4695%
Asset Experience Gain	0.2509%
Employer's Normal Cost Accrual Rate – Fiscal 2015	36.4920%

In addition to the above factors, required net direct employer contributions are also affected by the projected ad valorem taxes and revenue sharing funds which the system is expected to receive each year. When these funds change as a percentage of payroll, net direct employer contributions are adjusted accordingly. We estimate that these funds will increase by 1.08% of payroll in fiscal 2015. Although the actuarially required net direct employer contribution rate for fiscal 2015 is 18.52%, the actual employer contribution rate for fiscal 2015 is 24.25% of payroll. R.S. 11:103 requires that the net direct employer contributions be rounded to the nearest 0.25%, hence we are recommending a minimum net direct employer contribution rate of 18.50% for fiscal 2016.

Under the provisions of RS 11:105 and RS 11:107, the board of trustees may maintain the net direct employer contribution at the current level of 24.25%, or set the rate at any level between the current employer contribution rate (24.25%) and the minimum recommended employer contribution rate (18.50%). Under the provisions of RS 11:106 the board may set the rate up to 3% greater than the minimum net direct recommended rate for fiscal 2016. If the board sets the net direct employer contribution rate above the minimum rate, any excess funds collected will be deposited in the Funding Deposit Account. Funds in this account can be used to reduce either future required contributions in a particular year or the normal cost accrual rate.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, and changes in plan provisions or applicable law. Analysis of the effect of all these factors is beyond the scope of this report. We have, however, calculated the sensitivity of the plan’s costs to two factors. First, we have determined that based on current assets and demographics, for each percentage earnings in a single year under (or over) the assumed rate of return on the actuarial value of assets, there will be a corresponding increase (or reduction) in the normal cost accrual rate of 0.72% for the fund. We have also determined that a 1% reduction in the valuation interest rate for the Fund would increase the actuarially required contribution rate for fiscal 2015 by 12.27% of payroll. Please note that the above results are only intended to serve as an illustration of the impact of a change in the valuation interest rate. Any actual change in the valuation interest rate should only be effected with a review of all other plan assumptions.

In addition to calculating the actuarially required contribution to the fund, we have also calculated the ratio of the system’s assets to liabilities. When the market value of assets is divided by the entry age normal accrued liability for the fund the result is 80.07% as of June 30, 2014. This value in isolation does not give a measure of the ability of the fund to pay benefits in the future or indicate that future contributions are likely to be greater or less than current contributions. In addition, the ratio cannot be used to compare the relative strength of different retirement systems. However, the trend of this ratio over time can give some insight into the financial health of the plan. Even in this regard caution is warranted since market fluctuations in asset values and changes in plan assumptions can distort the underlying trends in this value.

FUNDING ANALYSIS AND RECOMMENDATIONS
DEFINED CONTRIBUTION PLAN

Funding for the retirement system's defined contribution account is contingent upon the availability of funds from ad valorem taxes and revenue sharing above the requirements of the defined benefit plan. The maximum amount of ad valorem taxes available to the system is 0.0625% of the ad valorem taxes shown to be collected each year. For fiscal 2014, we project that the system will receive ad valorem taxes in an amount insufficient to meet the requirements of the defined benefit plan. Therefore, there is no funding available for the defined contribution account for fiscal 2014.

COST OF LIVING INCREASES

During fiscal 2014 the actual cost of living (as measured by the US Department of Labor CPI-U) increased by 2.07%. Cost of living provisions for the system are detailed in R.S. 11:2073 and R.S. 11:246. The former statute allows the board to grant annual cost of living increases of 3% of each retiree's original benefit. This applies only to members who have been retired for at least two years. R.S. 11:246 provides cost of living increases of retirees and beneficiaries over the age of 65 equal to 2% of the benefit in payment on October 1, 1977, or the date the benefit was originally received if retirement commenced after that date. R.S. 11:241 provides that cost of living benefits shall be in the form (unless the board otherwise specifies) of $X×(A+B) where X is at most $1 and "A" represents the number of years of credited service accrued at retirement or at death of the member or retiree and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30th of the initial year of such increase. The provisions of this subpart do not repeal provisions relative to cost of living adjustments contained within the individual laws governing systems; however, they are to be controlling in cases of conflict. These statutes only permit payment of such an increase if earnings exceed the system's valuation rate.

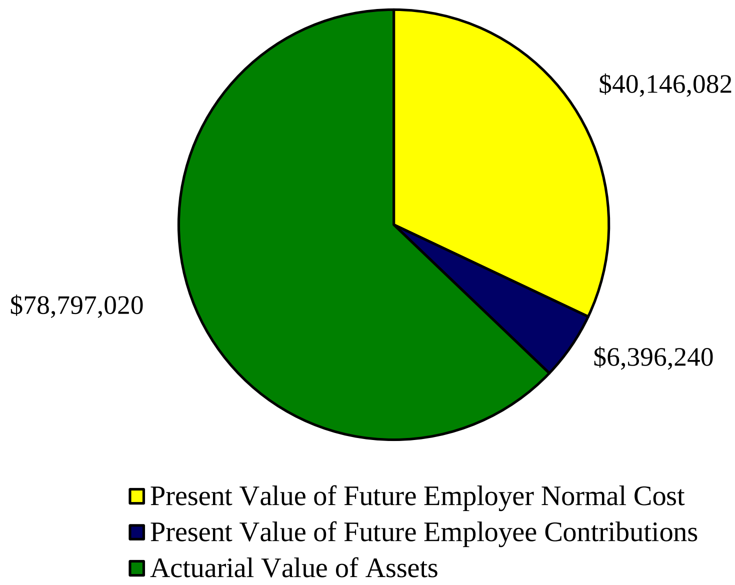
Statutory requirements provide that such COLA's may be paid only when the investment earnings of the system are sufficiently above the valuation interest rate to fund the benefit granted. For fiscal 2014 the fund had $276,074 in excess earnings.

R.S. 11:243 sets forth the funding criteria necessary in order to grant cost of living adjustments to regular retirees and beneficiaries (who are neither the surviving spouse nor children of the retiree.) The criteria for the fund to qualify as eligible to grant any such increase is as follows: a funded ratio of at least 70% if the system has not granted a benefit increase to retirees, survivors, or beneficiaries in any of the three most recent fiscal years; a funded ratio of at least 80% if the system has not granted such an increase in any of the two most recent fiscal years; or a funded ratio of at least 90% if the system has not granted such an increase in the most recent fiscal year. The funded ratio at any fiscal year end is the ratio of the actuarial value of assets to the actuarial accrued liability under the funding method prescribed by the legislative auditor (currently the Projected Unit Credit Method for this system.) For fiscal 2014, this funded ratio is 77.32%. Since the retirement system has not granted a benefit increase to retirees, survivors, or beneficiaries in any of the three most recent fiscal years, the Board may grant a cost of living increase to retirees, survivors, and beneficiaries. The excess interest earnings of $276,074 for fiscal 2014 are insufficient to fully grant any of the applicable cost of living increases authorized by statute as shown by the present value of the increases below, but we have determined the maximum percentage increase that could be granted.

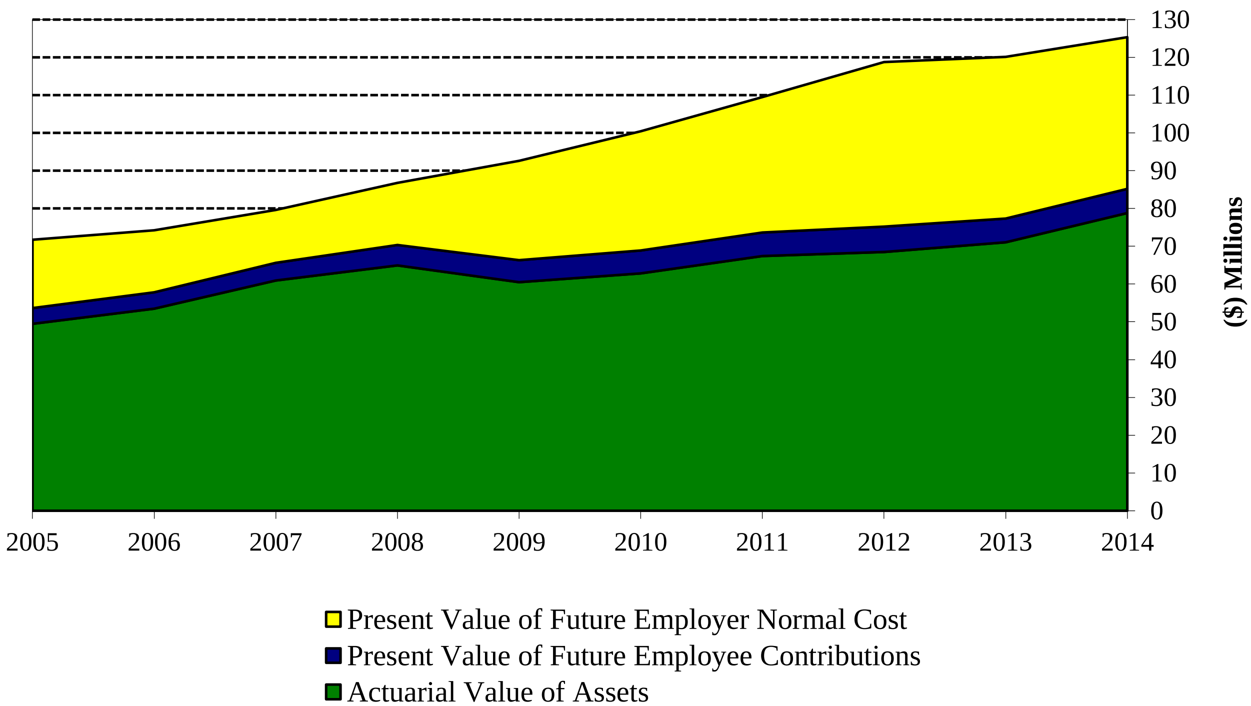
COLA Description	Annual Increase in Benefits	Present Value Of Increase	Maximum COLA as % of Payroll
3% of the base benefit	$ 95,107	$ 863, 951	0.79%
2% to pensioners over age 65	$ 48,874	$ 406,625	0.37%

The granting of either partial cost of living increase described above would have a present value of $276,074 which would cause an increase in the normal cost accrual rate of 0.25%.

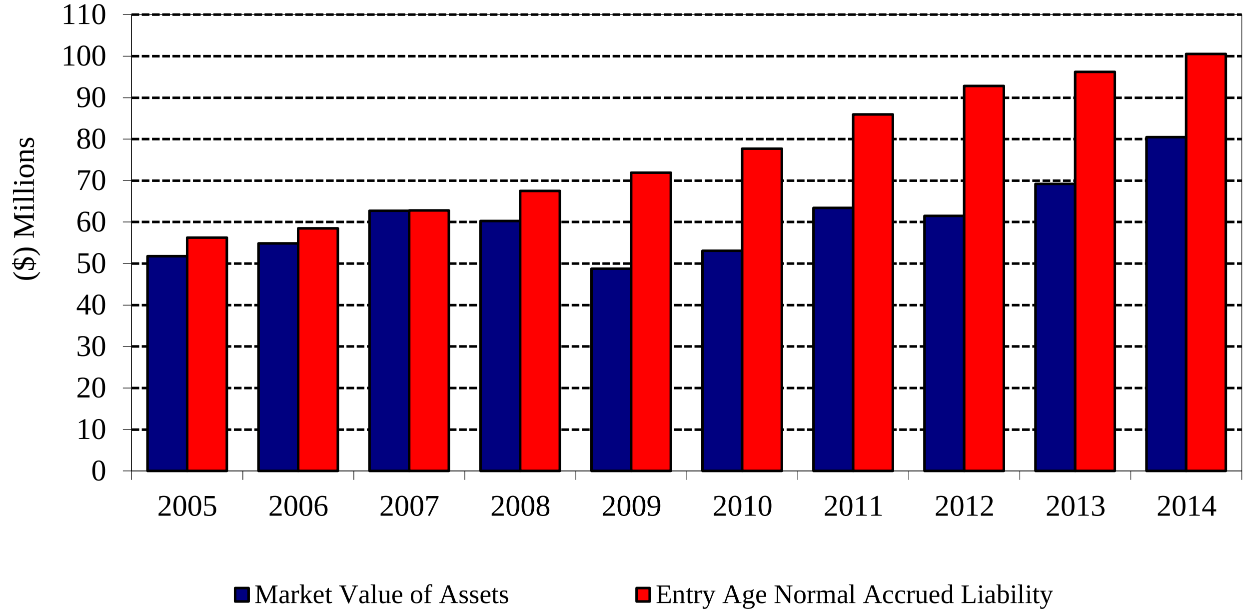
Components of Present Value of Future Benefits
June 30, 2014



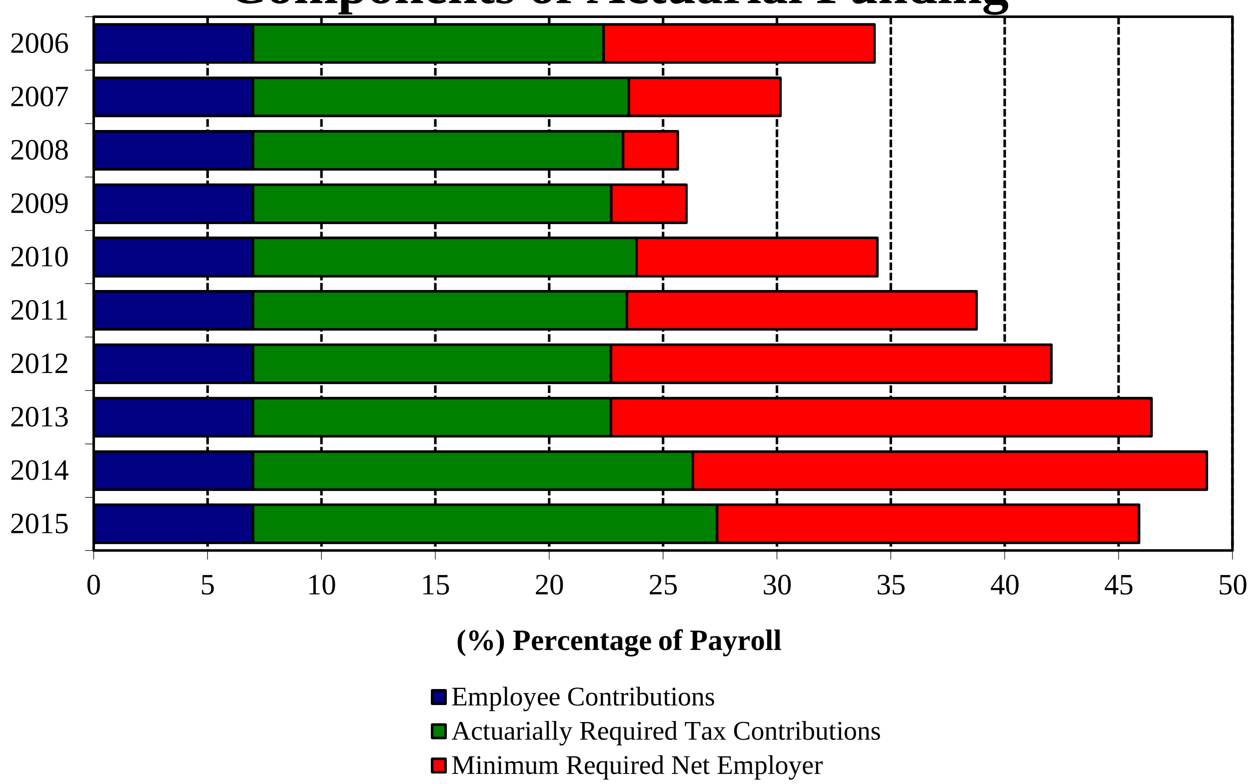
Components of Present Value of Future Benefits



Market Value of Assets vs. EAN Accrued Liability

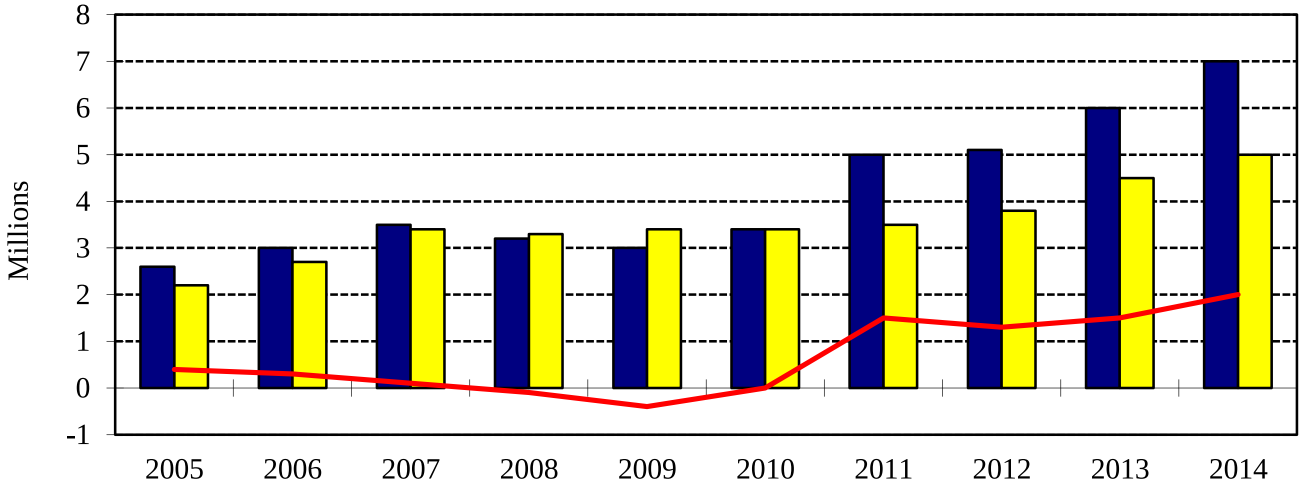


Components of Actuarial Funding



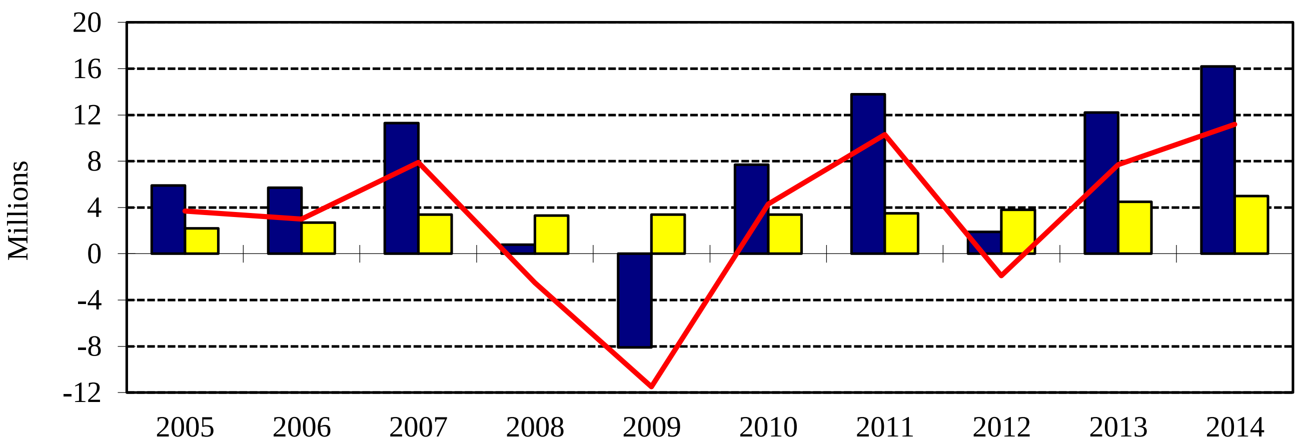
Actuarially Required Tax Contributions consist of the lesser of Actuarially Required Contributions and amount of taxes divided by the projected valuation payroll.

Net Non-Investment Income



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Non-Investment Income ($Mil)	2.6	3.0	3.5	3.2	3.0	3.4	5.0	5.1	6.0	7.0
Benefits and Expenses ($Mil)	2.2	2.7	3.4	3.3	3.4	3.4	3.5	3.8	4.5	5.0
Net Non-Investment Income ($Mil)	0.4	0.3	0.1	-0.1	-0.4	0.0	1.5	1.3	1.5	2.0

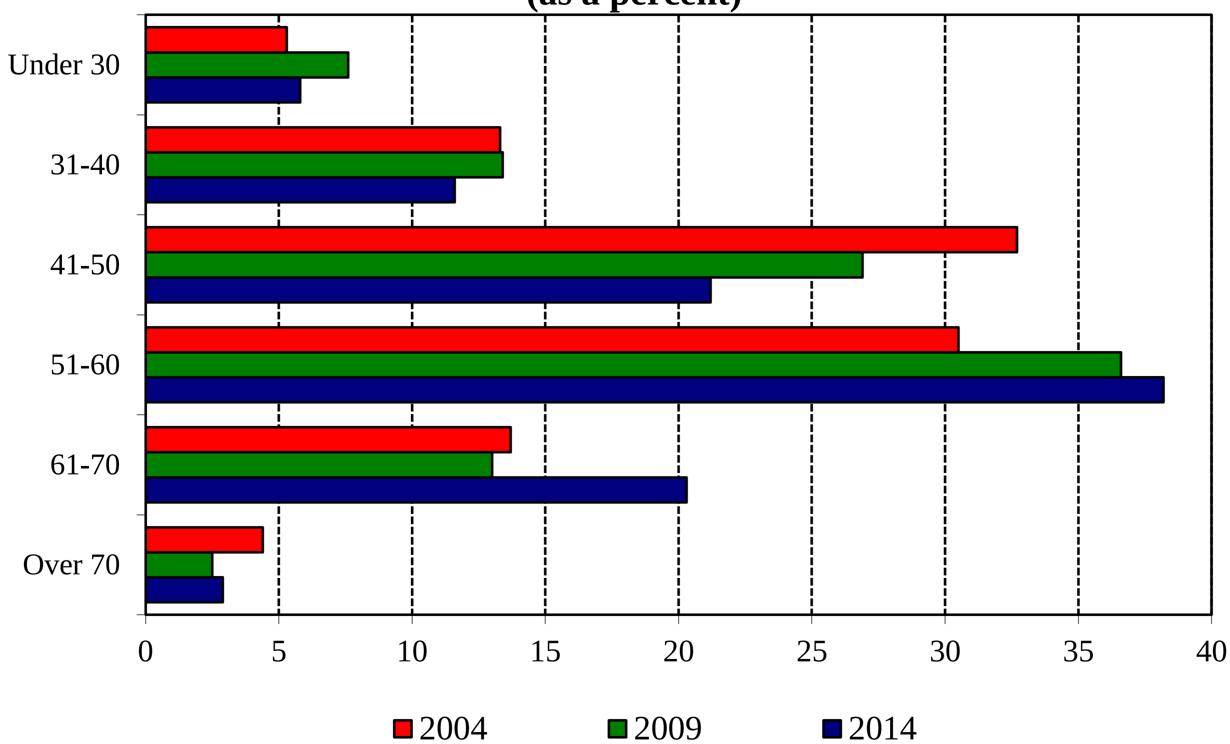
Total Income vs. Expenses
(Based on Market Value of Assets)



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Income ($Mil)	5.9	5.7	11.3	0.8	-8.1	7.7	13.8	1.9	12.2	16.2
Benefits and Expenses ($Mil)	2.2	2.7	3.4	3.3	3.4	3.4	3.5	3.8	4.5	5.0
Net Change in MVA ($Mil)	3.7	3.0	7.9	-2.5	-11.5	4.3	10.3	-1.9	7.7	11.2

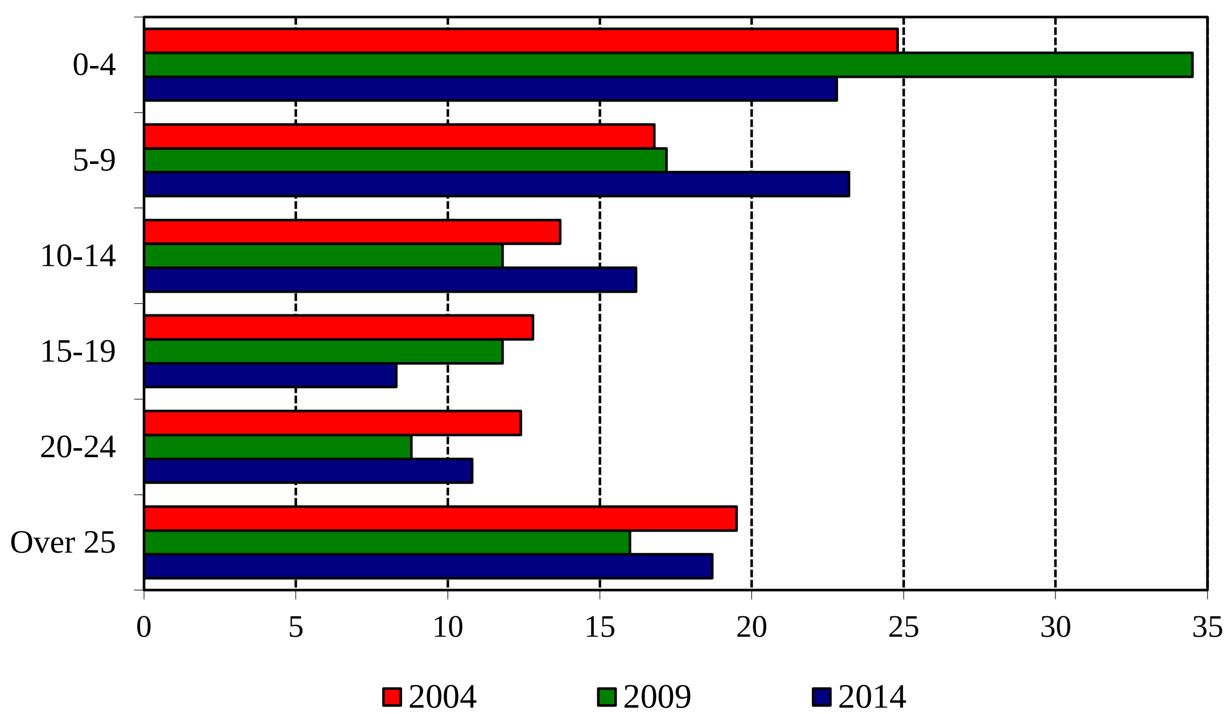
Active – Census By Age

(as a percent)



Active – Census By Service

(as a percent)



Historical Asset Yield

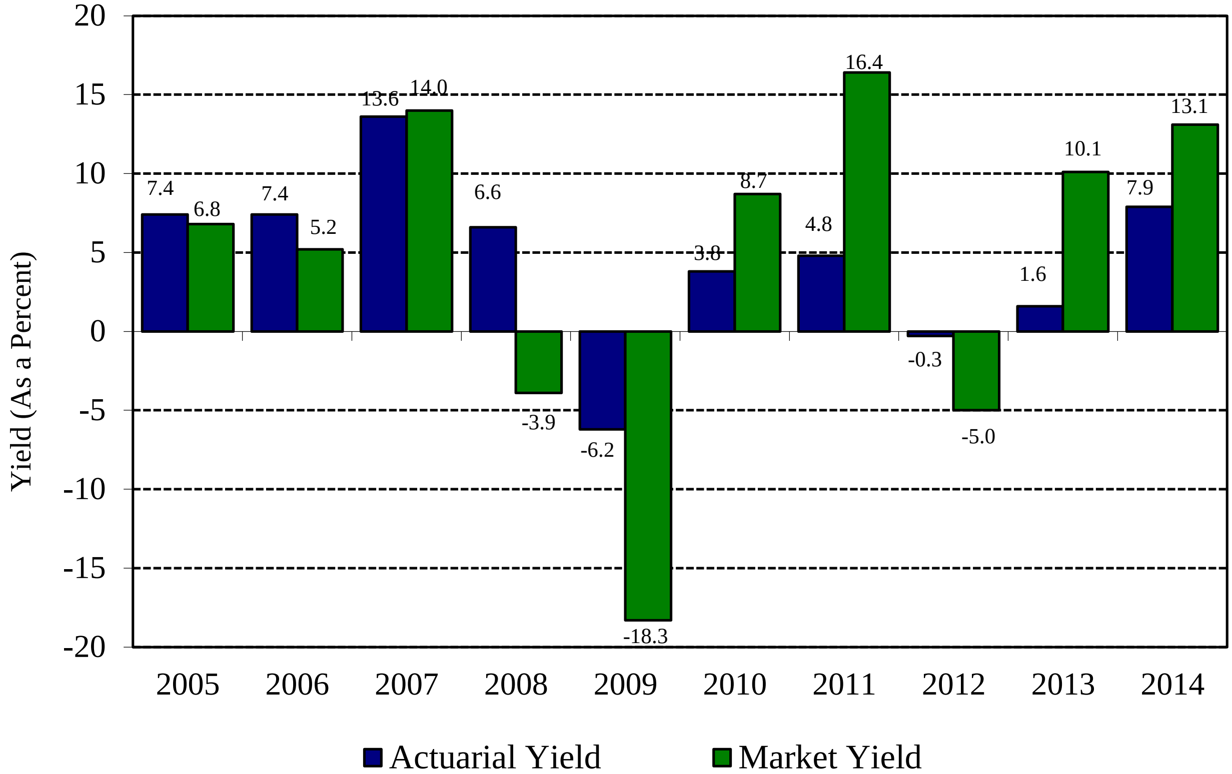


EXHIBIT I
ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS TO THE DEFINED BENEFIT PLAN

1.	Present Value of Future Benefits	$ 125,339,342
2.	Funding Deposit Account Credit Balance	$ 0
3.	Actuarial Value of Assets	$ 78,797,020
4.	Present Value of Future Employee Contributions	$ 6,396,240
5.	Present Value of Future Employer Normal Costs (1+2-3-4)	$ 40,146,082
6.	Present Value of Future Salaries	$ 110,013,486
7.	Employer Normal Cost Accrual Rate (5÷6)	36.491964%
8.	Projected Fiscal 2015 Salary for Current Membership	$ 12,936,202
9.	Employer Normal Cost as of July 1, 2014 (7 x 8)	$ 4,720,674
10.	Normal Cost Adjusted for Midyear Payment	$ 4,883,103
11.	Estimated Administrative Cost for Fiscal 2015	$ 359,581
12.	GROSS Employer Actuarially Required Contribution for Fiscal 2015 (10 + 11)	$ 5,242,684
13.	Projected Ad Valorem Tax Contributions for Fiscal 2015	$ 2,636,735
14.	Projected Revenue Sharing Funds for Fiscal 2015	$ 110,151
15.	Net Direct Employer Actuarially Required Contribution for Fiscal 2015 (12 – 13 – 14)	$ 2,495,798
16.	Projected Payroll for Fiscal 2015	$ 13,476,202
17.	Employers' Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2015 (15 ÷ 16)	18.52%
18.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2016 (17, Rounded to nearest 0.25%)	18.50%

EXHIBIT II
PRESENT VALUE OF FUTURE BENEFITS

PRESENT VALUE OF FUTURE BENEFITS FOR ACTIVE MEMBERS:

Retirement Benefits	$	85,706,429		
Survivor Benefits		1,544,804		
Disability Benefits		553,410		
Vested Termination Benefits		1,494,917		
Refunds of Contributions		482,338		
TOTAL Present Value of Future Benefits for Active Members			$	89,781,898

PRESENT VALUE OF FUTURE BENEFITS FOR TERMINATED MEMBERS:

Terminated Vested Members Due Benefits at Retirement	$	822,075		
Terminated Members with Reciprocals Due Benefits at Retirement		44,518		
Terminated Members Due a Refund		35,290		
TOTAL Present Value of Future Benefits for Terminated Members			$	901,883

PRESENT VALUE OF FUTURE BENEFITS FOR RETIREES:

Regular Retirees						
Maximum	$	12,166,940				
Option 1		5,851,862				
Option 2		5,413,177				
Option 3		4,735,814				
Option 4		1,525,252				
TOTAL Regular Retirees			$	29,693,045		
Disability Retirees				112,746		
Survivors & Widows				4,437,150		
Annuities Certain Payable to Retirees				412,620		
DROP Account Balances Payable to Retirees				0		
TOTAL Present Value of Future Benefits for Retirees & Survivors					$	34,655,561
TOTAL Present Value of Future Benefits					$	125,339,342

EXHIBIT III – SCHEDULE A
MARKET VALUE OF ASSETS

CURRENT ASSETS:				
Cash in Banks	$	2,145,143		
Contributions and Taxes Receivable		353,937		
Accrued Interest and Dividends		149,334		
Investments Receivable		50,371		
Other Current Assets		30,745		
TOTAL CURRENT ASSETS			$	2,729,530
Property Plant & Equipment			$	3,145
INVESTMENTS:				
Cash Equivalents	$	1,211,609		
Equities		62,708,979		
Fixed Income		11,722,536		
Real Estate		914,232		
Alternative Investments		1,345,123		
TOTAL INVESTMENTS			$	77,902,479
TOTAL ASSETS			$	80,635,154
CURRENT LIABILITIES:				
Accounts Payable	$	20,886		
Investments Payable		135,577		
TOTAL CURRENT LIABILITIES			$	156,463
MARKET VALUE OF ASSETS			$	80,478,691

EXHIBIT III – SCHEDULE B
ACTUARIAL VALUE OF ASSETS

Excess (Shortfall) of invested income
for current and previous 4 years:

Fiscal year 2014	$	3,942,281
Fiscal year 2013	$	1,609,729
Fiscal year 2012		(8,351,346)
Fiscal year 2011		4,512,736
Fiscal year 2010		359,250
Total for five years	$	2,072,650

Deferral of excess (shortfall) of invested income:

Fiscal year 2014 (80%)	$	3,153,825
Fiscal year 2013 (60%)		965,837
Fiscal year 2012 (40%)		(3,340,538)
Fiscal year 2011 (20%)		902,547
Fiscal year 2010 (0%)		0
Total deferred for year	$	1,681,671

Market value of plan net assets, end of year	$	80,478,691
Preliminary actuarial value of plan assets, end of year	$	78,797,020

Actuarial value of assets corridor

85% of market value, end of year	$	68,406,887
115% of market value, end of year	$	92,550,495

Final actuarial value of plan net assets, end of year	$	78,797,020

EXHIBIT IV
PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	$	6,396,240
Employer Normal Contributions to the Pension Accumulation Fund		40,146,082
Funding Deposit Account Credit Balance		0
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	$	46,542,322

EXHIBIT V
RECONCILIATION OF CONTRIBUTIONS

Employer Normal Cost for Prior Year	$	5,196,962		
Interest on the Normal Cost		389,772		
Administrative Expenses		257,830		
Interest on Expenses		9,494		
TOTAL Interest Adjusted Actuarially Required Contributions			$	5,854,058
Direct Employer Contributions	$	3,242,440		
Interest on Employer Contributions		119,394		
Ad Valorem Taxes and Revenue Sharing		2,901,833		
Interest on Ad Valorem Taxes and Revenue Sharing Funds		106,851		
TOTAL Interest Adjusted Employer Contributions			$	6,370,518
CONTRIBUTION SURPLUS			$	516,460

EXHIBIT VI
ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets (June 30, 2013)			$	71,052,280
INCOME:				
Member Contributions	$	790,419		
Employer Contributions		3,242,440		
Irregular Contributions		93,017		
Tax Revenue		2,901,833		
Total Contributions			$	7,027,709
Net Appreciation (Depreciation) of Investments	$	7,811,859		
Interest & Dividends		1,694,072		
Miscellaneous Income		18,874		
Investment Expense		(316,067)		
Net Investment Income			$	9,208,738
TOTAL Income			$	16,236,447
EXPENSES:				
Retirement Benefits	$	4,624,834		
Refunds of Contributions		80,506		
Other Benefits		786		
Administrative Expenses		257,830		
TOTAL Expenses			$	4,963,956
Net Market Value Income for Fiscal 2014 (Income - Expenses)			$	11,272,491
Unadjusted Fund Balance as of June 30, 2014 (Fund Balance Previous Year + Net Income)			$	82,324,771
Adjustment for Actuarial Smoothing			$	3,527,751
Actuarial Value of Assets: (June 30, 2014)			$	78,797,020

EXHIBIT VII
PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees.........	$	66,348,678
Present Value of Benefits Payable to Terminated Employees		901,883
Present Value of Benefits Payable to Current Retirees and Beneficiaries		34,655,561
TOTAL PENSION BENEFIT OBLIGATION............................	$	101,906,122
NET ACTUARIAL VALUE OF ASSETS..................................	$	78,797,020
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation....................		77.32%

EXHIBIT VIII
ENTRY AGE NORMAL ACCRUED LIABILITIES

Accrued Liability for Active Employees	$	64,948,581
Accrued Liability for Terminated Employees		901,883
Accrued Liability for Current Retirees and Beneficiaries		34,655,561
TOTAL ENTRY AGE NORMAL ACCRUED LIABILITY	$	100,506,025
NET MARKET VALUE OF ASSETS	$	80,478,691
Ratio of Net Market Value of Assets to Entry Age Normal Accrued Liability		80.07%

EXHIBIT IX
CENSUS DATA

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of June 30, 2013	212	40	29	146	427
Additions to Census					
Initial membership	16				16
Omitted in error last year					
Death of another member				1	1
Adjustment for multiple records					
Change in Status during Year					
Actives terminating service	(2)	2			
Actives who retired	(4)			4	
Actives entering DROP	(7)		7		
Term. members rehired					
Term. members who retire					
Retirees who are rehired					
Refunded who are rehired					
DROP participants retiring			(6)	6	
DROP returned to work	9		(9)		
Omitted in error last year					
Eliminated from Census					
Refund of contributions	(1)	(7)			(8)
Deaths	(2)			(5)	(7)
Included in error last year					
Adjustment for multiple records	(1)			(1)	(2)
Number of members as of June 30, 2014	220	35	21	151	427

ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
21 - 25	1	5	6	29,810	178,862
26 - 30	2	6	8	36,344	290,748
31 - 35	1	8	9	35,922	323,295
36 - 40	3	16	19	42,030	798,567
41 - 45	2	16	18	46,758	841,635
46 - 50	2	31	33	51,076	1,685,494
51 - 55	2	36	38	57,964	2,202,650
56 - 60	5	49	54	52,987	2,861,296
61 - 65	4	26	30	62,729	1,881,859
66 - 70	6	13	19	74,988	1,424,769
71 - 75	0	6	6	82,663	495,979
76 - 80	1	0	1	94,395	94,395
TOTAL	29	212	241	54,272	13,079,549

THE ACTIVE CENSUS INCLUDES 130 ACTIVES WITH VESTED BENEFITS, INCLUDING 21 DROP PARTICIPANTS AND 22 ACTIVE FORMER DROP PARTICIPANTS.

TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	1	2	3	18,396	55,189
56 - 60	0	2	2	16,124	32,247
TOTAL	1	4	5	17,487	87,436

TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging From		To	Number	Total Contributions
0	-	99	11	524
100	-	499	8	2,038
500	-	999	3	2,312
1000	-	1999	2	2,568
2000	-	4999	4	11,711
5000	-	9999	2	16,137
		TOTAL	30	35,290

REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	1	2	3	67,552	202,655
56 - 60	1	3	4	39,457	157,828
61 - 65	2	15	17	35,887	610,080
66 - 70	3	11	14	35,348	494,875
71 - 75	2	22	24	25,225	605,405
76 - 80	3	14	17	22,800	387,599
81 - 85	4	10	14	25,780	360,917
86 - 90	1	12	13	19,488	253,341
91 - 99	2	5	7	16,798	117,583
TOTAL	19	94	113	28,233	3,190,283

DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
66 - 70	0	1	1	14,541	14,541
TOTAL	0	1	1	14,541	14,541

SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
56 - 60	3	2	5	13,643	68,217
61 - 65	2	4	6	19,057	114,343
66 - 70	3	3	6	13,748	82,485
71 - 75	1	4	5	6,466	32,331
76 - 80	0	2	2	13,651	27,301
81 - 85	3	6	9	14,430	129,869
86 - 90	0	4	4	13,957	55,827
TOTAL	12	25	37	13,794	510,373

ACTIVE MEMBERS:

Attained Ages	Completed Years of Service 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20												0
21 - 25	2	2		1	1							6
26 - 30	1	1	1	2		3						8
31 - 35	1	1		1		5	1					9
36 - 40	1	3	1			9	5					19
41 - 45	2	2		1	1	6	3	2	1			18
46 - 50	2	1	1	3	2	6	6	6	5	1		33
51 - 55		2		1	1	8	5	2	10	3	6	38
56 - 60	4	1	3	1	1	13	6	4	5	8	8	54
61 - 65	2	1				4	8	4	3	3	5	30
66 - 70	1	2	1			2	4	2	1	1	5	19
71 & Over							1		1		5	7
Totals	16	16	7	10	6	56	39	20	26	16	29	241

AVERAGE ANNUAL SALARY OF ACTIVE MEMBERS:

Attained Ages	Completed Years of Service 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Salary
0 - 20												0
21 - 25	24,189	25,158		39,798	40,371							29,810
26 - 30	62,088	20,538	35,266	32,816		35,741						36,344
31 - 35	34,646	30,198		24,593		40,190	32,908					35,922
36 - 40	47,450	28,485	30,129			46,751	42,955					42,030
41 - 45	32,958	26,138		39,902	38,813	50,914	58,176	50,581	63,557			46,758
46 - 50	22,555	44,400	28,911	37,444	31,147	37,772	61,433	55,731	77,350	76,084		51,076
51 - 55		43,384		27,544	34,290	47,115	40,054	79,954	70,797	71,723	65,636	57,964
56 - 60	35,843	35,662	48,930	30,969	31,205	44,225	44,085	50,972	60,194	61,364	79,762	52,987
61 - 65	25,069	21,550				42,223	55,195	75,081	96,318	70,654	79,697	62,729
66 - 70	28,454	48,287	65,074			98,353	59,525	102,729	38,698	115,117	88,118	74,988
71 & Over							72,549		44,048		94,755	84,339
Average	32,847	32,733	43,738	34,077	34,496	46,044	51,482	65,256	70,421	69,328	80,854	54,272

TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 50												0
51 - 55	1					2						3
56 - 60			1	1								2
61 & Over												0
Totals	1	0	1	1	0	2	0	0	0	0	0	5

AVERAGE ANNUAL BENEFITS OF TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 50												0
51 - 55	29,375					12,907						18,396
56 - 60			12,321	19,926								16,123
61 & Over												0
Average	29,375	0	12,321	19,926	0	12,907	0	0	0	0	0	17,487

SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 50												0
51 - 55	2					1						3
56 - 60	3	1										4
61 - 65	3	4		2	1	6	1					17
66 - 70		2	2	1	1	6	2					14
71 - 75	1		1	1	2	9	5	4	1			24
76 - 80	1			1		5	2	5	3			17
81 - 85				1		3	3	1	2	4		14
86 - 90						1	1	2	5	2	2	13
91 & Over						1		2		2	2	7
Totals	10	7	3	6	4	32	14	14	11	8	4	113

AVERAGE ANNUAL BENEFITS PAYABLE TO SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 50												0
51 - 55	76,666					49,325						67,552
56 - 60	37,000	46,828										39,457
61 - 65	49,483	37,149		30,276	48,565	29,823	24,982					35,887
66 - 70		39,001	29,130	17,424	38,253	33,459	51,091					35,348
71 - 75	56,310		58,223	12,414	29,810	29,934	16,217	13,790	13,184			25,225
76 - 80	22,566			50,323		26,208	13,370	18,928	20,764			22,800
81 - 85				54,015		26,796	23,031	22,901	16,272	25,494		25,780
86 - 90						54,404	13,663	11,668	14,882	23,404	20,361	19,488
91 & Over						35,870		23,943		7,827	9,087	16,798
Average	49,165	39,061	38,828	32,455	36,609	31,254	22,696	17,423	16,584	20,555	14,724	28,233

DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 65												0
66 - 70							1					1
71 & Over												0
Totals	0	0	0	0	0	0	1	0	0	0	0	1

AVERAGE ANNUAL BENEFITS PAYABLE TO DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 65												0
66 - 70							14,541					14,541
71 & Over												0
Average	0	0	0	0	0	0	14,541	0	0	0	0	14,541

SURVIVING BENEFICIARIES OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 55												0
56 - 60					1			1		2	1	5
61 - 65	1	1				1				3		6
66 - 70						2		1	1	2		6
71 - 75					1		2			1	1	5
76 - 80									2			2
81 - 85						1		3	2	3		9
86 - 90				1						1	2	4
91 & Over												0
Totals	1	1	0	1	2	4	2	5	5	12	4	37

AVERAGE ANNUAL BENEFITS PAYABLE TO SURVIVORS OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 55												0
56 - 60					53,376			5,440		3,606	2,189	13,643
61 - 65	27,042	12,741				61,942				4,206		19,057
66 - 70						21,769		16,540	10,751	5,828		13,747
71 - 75					7,714		9,669			3,090	2,189	6,466
76 - 80									13,651			13,651
81 - 85						38,303		13,208	6,740	12,821		14,430
86 - 90				13,354						21,755	10,359	13,957
91 & Over												0
Average	27,042	12,741	0	13,354	30,545	35,946	9,669	12,321	10,307	7,899	6,274	13,794

EXHIBIT X
YEAR-TO-YEAR COMPARISON

	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
Number of Active Members	241	241	245	248
Number of Retirees & Survivors	151	146	143	147
Number of Terminated Due Deferred Benefits	5	5	6	6
Number Terminated Due Refunds	30	35	29	29
Active Lives Payroll	$ 13,079,549	$ 13,086,633	$ 13,386,956	$ 13,027,410
Retiree Benefits in Payment	$ 3,715,197	$ 3,398,509	$ 3,145,379	$ 3,112,965
Market Value of Assets (MVA)	$ 80,478,691	$ 69,206,200	$ 61,490,163	$ 63,415,774
Entry Age Normal (EAN) Accrued Liability	$ 100,506,025	$ 96,236,913	$ 92,853,873	$ 85,924,089
Ratio of MVA to EAN Accrued Liability	80.07%	71.91%	66.22%	73.80%
Actuarial Value of Assets	$ 78,797,020	$ 71,052,280	$ 68,481,599	$ 67,405,502
Present Value of Future Employer Normal Cost	$ 40,146,082	$ 42,794,452	$ 43,553,440	$ 35,835,681
Present Value of Future Employee Contrib.	$ 6,396,240	$ 6,278,416	$ 6,721,009	$ 6,237,947
Present Value of Future Benefits	$ 125,339,342	$120,125,148	$118,756,048	$109,479,130

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	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012
Employee Contribution Rate	7.00%	7.00%	7.00%	7.00%
Estimated Tax Contribution as % of Payroll	20.38%	19.30%	15.71%	15.71%
Actuarially Required Net Direct Employer Contribution Rate	18.52%	22.58%	23.73%	19.34%
Actual Employer Contribution Rate	24.25%	24.25%	19.75%	15.50%

Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
247	247	239	230	225	227
140	138	137	135	126	122
6	5	5	6	5	5
20	19	19	11	17	17
$ 12,333,966	$ 11,753,384	$ 10,839,277	$ 9,430,860	$ 8,902,959	$ 8,649,475
$ 2,877,232	$ 2,777,346	$ 2,695,681	$ 2,518,881	$ 2,162,474	$ 1,927,188
$ 53,081,300	$ 48,785,175	$ 60,242,539	$ 62,716,995	$ 54,844,655	$ 51,800,721
$ 77,674,661	$ 71,914,060	$ 67,527,976	$ 62,820,770	$ 58,472,861	$ 56,218,580
68.34%	67.84%	89.21%	99.83%	93.80%	92.14%
$ 62,823,395	$ 60,492,753	$ 64,932,257	$ 60,936,774	$ 53,480,118	$ 49,464,963
$ 31,548,014	$ 26,292,445	$ 16,438,175	$ 13,994,521	$ 16,412,560	$ 18,089,990
$ 6,064,371	$ 5,826,743	$ 5,405,249	$ 4,677,700	$ 4,333,260	$ 4,177,183
$ 100,435,780	$ 92,611,941	$ 86,775,681	$ 79,608,995	$ 74,225,938	$ 71,732,136

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Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
16.41%	16.84%	15.73%	16.24%	16.50%	15.39%
15.35%	10.57%	3.29%	2.40%	6.66%	11.32%
14.25%	3.50%	2.00%	6.25%	11.25%	11.00%

SUMMARY OF PRINCIPAL PLAN PROVISIONS

The Registrars of Voters Employees' Retirement System was established as of the first day of January nineteen hundred and fifty-five for the purpose of providing retirement allowances and other benefits. The following summary of plan provisions is for general informational purposes only and does not constitute a guarantee of benefits.

MEMBERSHIP - All Registrars of Voters, their deputies, and their permanent employees in each parish of the State of Louisiana. Also, any employee of the retirement system or the Louisiana Registrars of Voters' Association. Elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits are not eligible to become members of the system.

CONTRIBUTION RATES – Under the provisions of R.S. 11:62 and 11:103, the fund is financed by employee contributions of at least 7% but not more than 9% of earnable compensation as determined by the board of trustees. In addition, the fund receives revenue sharing funds as appropriated each year by the legislature. Also, under R.S. 11:82, each sheriff and ex-officio tax collector remits the employers' share of the actuarially required contribution to fund the system's defined benefit and defined contribution plans up to a maximum of one-sixteenth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish. Should employee contributions and tax funds collected from ad valorem taxes and revenue sharing funds be insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement Systems' Actuarial Committee. Under R.S. 11:106, the board of trustees is authorized to require a net direct contribution rate of up to three percent more than the rate determined under R.S. 11:103. Under R.S. 11:105 and R.S. 11:107, in any fiscal year during which the net direct employer contribution rates would otherwise be decreased, the board of trustees is authorized to set the employer contribution rate at any point between the previous year's employer contribution rate and the decreased rate that would otherwise occur. Any excess funds resulting from the additional contributions will be credited to the Funding Deposit Account defined in R.S. 11:107.1.

CONTRIBUTION REFUNDS - Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in the system.

FINAL AVERAGE COMPENSATION – For a member whose first employment making him eligible for membership in the system began on or before June 30, 2006, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted, subject to certain transition rules. For those who retire on or before December 31, 2012, a thirty six month final average compensation period shall be used. For those retiring between January 1, 2013 and December 31, 2014 the number of months to be used in determining the final average compensation will be thirty-six plus the number of completed months since January 1, 2013. In no case shall the monthly final average compensation be less than the average monthly earnings during the member's highest thirty-six consecutive or joined months of service earned for employment before January 1, 2013. The earnings to be considered for each twelve month period within the sixty month period shall not exceed 125% of the preceding twelve month period.

For a member whose first employment making him eligible for membership in the system began after June 30, 2006, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted.

RETIREMENT BENEFITS – Members whose first employment making them eligible for membership occurred prior to January 1, 2013 with ten years of creditable service may retire at age sixty; such members with twenty years of service may retire at age fifty-five; such members with thirty years of service may retire regardless of age. The annual retirement allowance for such members is equal to three and one-third percent of the member's average final compensation for each year of creditable service. Creditable service at retirement includes membership service, service as certified on prior service certificates, and any unused sick leave and any unused annual leave in excess of 300 hours at the date of retirement.

Members whose first employment making them eligible for membership occurred on or after January 1, 2013 with ten years of creditable service may retire at age sixty-two; such members with twenty years of service may retire at age sixty; such members with thirty years of service may retire at age fifty-five. The annual retirement allowance for such members is equal to three percent of the member's average final compensation for each year of creditable service. The annual amount of the retirement allowance for any member, who has at least thirty years of total creditable service, with at least twenty years of creditable service in this system, is three and one-third percent of the average final compensation for each year of creditable service. Creditable service at retirement includes membership service, service as certified on prior service certificates, and any unused sick leave and any unused annual leave in excess of 300 hours at the date of retirement.

OPTIONAL ALLOWANCES - Members may receive their benefits as a life annuity, or in lieu of such receive a reduced benefit according to the option selected that is the actuarial equivalent of the maximum benefit.

Option 1 - If the member dies before he has received in annuity payments the present value of his member's annuity as it was at the time of retirement the balance is paid to his beneficiary.

Option 2 - Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will continue to receive the same reduced benefit.

Option 3 - Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will receive one-half of the member's reduced benefit.

Option 4 - Upon retirement, the member elects to receive a board-approved benefit which is actuarially equivalent to the maximum benefit.

A member may also elect to receive an actuarially reduced benefit which provides for an automatic 2 ½% annual compound increase in monthly retirement benefits based on the reduced benefit and commencing on the later of age fifty-five or retirement anniversary; this COLA is in addition to any ad hoc COLAs which are payable.

DISABILITY BENEFITS - Ten years of creditable service are required in order to be eligible for disability benefits. Disabled members receive a normal retirement allowance if eligible. Otherwise, the member whose first employment making them eligible for membership occurred prior to January 1, 2013 receives the lesser of three and one-third percent of average final compensation multiplied by the number of years of creditable service (not to be less than fifteen years), or three and one-third percent of average final compensation multiplied by years of service assuming continued service to age sixty. Any member whose first employment making them eligible for membership occurred after January 1, 2013 receives the lesser of three percent of average final compensation multiplied by the number of years of creditable service (not to be less than fifteen years), or three percent of average final compensation multiplied by years of service assuming continued service to age sixty-two. Disability benefits may not exceed two-thirds of earnable compensation.

SURVIVOR BENEFITS - If a member has less than five years of service credit, the surviving spouse or minor children receive a refund of the member's contributions. If the member has at least five years of service credit and is not eligible to retire, the spouse receives an automatic option 2 benefit based on the accrued benefits at the time of death with option 2 factors based on the age that the member and spouse would have been had the member survived, continued in service, and then retired on earliest normal retirement date. If the member is eligible to retire at the date of death, the surviving spouse receives automatic option 2 benefits. If there are surviving minor or handicapped children with no surviving spouse and the member has five or more years of service credit the children receive eighty percent of the accrued retirement benefit in equal portions until the age of majority or for the duration of the handicap for a handicapped child. The retirement system pays a lump sum refund equal to the difference between total monthly survivor benefits paid and total accrued contributions, if any, upon the cessation of all eligible monthly payments.

DEFERRED RETIREMENT OPTION PLAN - In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible for normal retirement may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the system terminates. During participation in the plan, monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. This fund does not earn interest. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of the system has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the plan may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. The monthly benefits that were being paid into the DROP fund will begin to be paid to the retiree. If a participant dies during the participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the system.

COST OF LIVING INCREASES – Under the provisions of R.S. 11:241, 11:246, and 11:2073, the board of trustees is authorized to grant retired members and widows of members who have retired at least two years, an annual cost of living increase of up to 3% of their original benefit, and to retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit (or the benefit being received on October 1, 1977 if they retired prior to that time). In order for the board to grant either of these increases the system must meet certain criteria detailed in the statute related to funding status and interest earnings. In lieu of other cost of living increases the board may grant an increase to retirees in the form "X×(A&B)" where "A" is equal to the number of years of credited service accrued as retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of $1.00.

DEFINED CONTRIBUTION PLAN – In accordance with R. S. 11:2139, dedicated taxes and revenue sharing funds contributed to the system in excess of those required contributions to the Pension Accumulation Fund, as established by the Public Retirement Systems Actuarial Committee, are deposited in the Members' Supplemental Savings Fund. The amount of funds deposited with the members' supplemental savings fund is three percent of the salaries paid to active contributing members during the prior fiscal year unless the Public Retirement Systems' Actuarial Committee recommends a lessor percentage based on available funds and the requirements of the Defined Benefit Plan. A member is entitled to payment of all contributions and interest credited to his account upon termination of employment. Payment to the member is made at the end of the calendar quarter following the quarter in which the member terminates. Interest and other earnings or losses are allocated at least once each year on the valuation date of the fund. Earnings or losses are allocated to members in proportion to their account balances as of the first day of the period for which earnings are credited.

The funds in the Member's Supplemental Savings Fund are invested separately from other funds held by the system and the funds constitute a separate trust. Payments, accruals, and allocations due to be made at the end of the fiscal year may be delayed until such time as the necessary financial information is available to the system's administrator, but in no event later than 6 months after the close of the fiscal year.

ACTUARIAL ASSUMPTIONS

In determining actuarial costs, certain assumptions must be made regarding future experience under the plan. These assumptions include the rate of investment return, mortality of plan members, rates of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors which have an impact on the cost of the plan. To the extent that future experience varies from the assumptions selected for valuation, future costs will be either higher or lower than anticipated. The following chart illustrates the effect of emerging experience on the plan.

Factor	Increase in Factor Results in
Investment Earnings Rate	Decrease in Cost
Annual Rate of Salary Increase	Increase in Cost
Rates of Retirement	Increase in Cost
Rates of Termination	Decrease in Cost
Rates of Disability	Increase in Cost
Rates of Mortality	Decrease in Cost

ACTUARIAL COST METHOD: The Aggregate Actuarial Cost Method with allocation based on earnings.

VALUATION INTEREST RATE: 7% (Net of Investment Expense)

ACTUARIAL ASSET VALUES: Assets are valued at market value adjusted to defer four-fifths of all earnings above or below the valuation interest rate in the valuation year, three-fifths of all earnings above or below the valuation interest rate in the prior year, two-fifths of all earnings above or below the valuation interest rate from two years prior, and one-fifth of all earnings above or below the valuation interest rate from three years prior. The resulting smoothed values are subject to a corridor of 85% to 115% of the market value of assets. If the smoothed value falls outside the corridor, the actuarial value is set equal to the average of the corridor limit and the smoothed value.

ANNUAL SALARY INCREASE RATE: 6 % (2.75% inflation / 3.25% merit)

ACTIVE MEMBER, ANNUITANT, AND BENEFICIARY MORTALITY: RP 2000 Combined Healthy Table set back 3 years for males and 2 years for females

RETIREE COST OF LIVING INCREASE: The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

RATES OF RETIREMENT: The table of these rates is included later in the report. These rates apply only to those individuals eligible to retire. The rate of retirement for persons who have completed DROP participation and have remained employed is 0.17.

RETIREMENT LIMITATIONS: Projected retirement benefits are not subjected to IRS Section 415 limits.

RATES OF WITHDRAWAL: The rates of withdrawal are applied based upon completed years of service according to the following table:

Service	Factor	Service	Factor
<1	0.160	10	0.013
1	0.070	11	0.013
2	0.070	12	0.013
3	0.070	13	0.013
4	0.070	14	0.013
5	0.070	15	0.013
6	0.060	16	0.013
7	0.050	17	0.013
8	0.040	18	0.013
9	0.030	>18	0.013

Note: Withdrawal rates for members eligible to retire are assumed to be zero.

RATES OF DROP ENTRY: A table of these rates is included later in the report. These rates apply only to those individuals eligible to enter DROP.

DROP PARTICIPATION: All persons who enter DROP are assumed to participate for the full three-year period and retire after completing 1 year of Post-DROP service.

MARRIAGE STATISTICS: 80% of the members are assumed to be married; husbands are assumed to be three years older than their wives.

FAMILY STATISTICS: Assumptions utilized in determining the costs of various survivor benefits as listed below, are derived from the information provided in the 2000 U. S. Census:

Member's Age	% With Children	Number of Children	Average Age
25	62%	1.7	6
35	82%	2.1	10
45	66%	1.8	13
55	19%	1.4	15
65	2%	1.4	15

RATES OF DISABILITY: 20% of the disability rates used for the 21st valuation of the Railroad Retirement System for individuals with 10-19 years of service. The table of these rates is included later in the report.

DISABLED LIVES MORTALITY: RP-2000 Disabled Lives Mortality Tables for Males and Females

VESTING ELECTING PERCENTAGE: 70% of those vested elect deferred benefits in lieu of contribution refunds**.**

SICK AND ANNUAL LEAVE: Members are assumed to accrue one year of unused sick and annual leave to be credited for retirement benefit accrual purposes for each 16.67 years of Pre-DROP creditable service. Members are assumed to convert 0.22 years of sick and annual leave for every year of DROP Participation service and Post-DROP service in their Post-DROP benefit.

ACTUARIAL TABLES AND RATES

Age	Retired Male Mortality Rates	Retired Female Mortality Rates	Retirement Rates	DROP Entry Rates	Disability Rates
18	0.00027	0.00018	0.00000	0.00000	0.00030
19	0.00028	0.00018	0.00000	0.00000	0.00030
20	0.00030	0.00019	0.00000	0.00000	0.00030
21	0.00032	0.00019	0.00000	0.00000	0.00030
22	0.00033	0.00019	0.00000	0.00000	0.00030
23	0.00035	0.00019	0.00000	0.00000	0.00030
24	0.00036	0.00019	0.00000	0.00000	0.00030
25	0.00037	0.00020	0.00000	0.00000	0.00030
26	0.00037	0.00020	0.00000	0.00000	0.00030
27	0.00038	0.00021	0.00000	0.00000	0.00030
28	0.00038	0.00021	0.00000	0.00000	0.00030
29	0.00038	0.00022	0.00000	0.00000	0.00030
30	0.00038	0.00024	0.00000	0.00000	0.00030
31	0.00039	0.00025	0.00000	0.00000	0.00030
32	0.00041	0.00026	0.00000	0.00000	0.00030
33	0.00044	0.00031	0.00000	0.00000	0.00030
34	0.00050	0.00035	0.00000	0.00000	0.00030
35	0.00056	0.00039	0.00000	0.00000	0.00034
36	0.00063	0.00044	0.00000	0.00000	0.00038
37	0.00070	0.00047	0.00000	0.00000	0.00042
38	0.00077	0.00051	0.00000	0.00000	0.00048
39	0.00084	0.00055	0.00000	0.00000	0.00054
40	0.00090	0.00060	0.00000	0.00000	0.00062
41	0.00096	0.00065	0.00000	0.00000	0.00070
42	0.00102	0.00071	0.00000	0.00000	0.00078
43	0.00108	0.00077	0.00000	0.00000	0.00088
44	0.00114	0.00085	0.00000	0.00000	0.00100
45	0.00122	0.00094	0.00000	0.00000	0.00114
46	0.00130	0.00103	0.12000	0.43000	0.00130
47	0.00140	0.00112	0.12000	0.43000	0.00146
48	0.00151	0.00122	0.12000	0.43000	0.00166
49	0.00162	0.00133	0.12000	0.43000	0.00188
50	0.00173	0.00143	0.12000	0.43000	0.00214
51	0.00186	0.00155	0.12000	0.43000	0.00244
52	0.00200	0.00168	0.12000	0.43000	0.00276
53	0.00214	0.00185	0.12000	0.43000	0.00314
54	0.00245	0.00202	0.12000	0.43000	0.00356
55	0.00267	0.00221	0.06000	0.22000	0.00404
56	0.00292	0.00242	0.06000	0.22000	0.00460
57	0.00320	0.00272	0.06000	0.22000	0.00522
58	0.00362	0.00309	0.06000	0.22000	0.00592
59	0.00420	0.00348	0.06000	0.22000	0.00674
60	0.00469	0.00392	0.06000	0.22000	0.00976
61	0.00527	0.00444	0.06000	0.22000	0.00976
62	0.00595	0.00506	0.06000	0.22000	0.00976
63	0.00675	0.00581	0.06000	0.22000	0.00976
64	0.00768	0.00666	0.06000	0.22000	0.00976
65	0.00876	0.00765	0.06000	0.22000	0.00976
66	0.01001	0.00862	0.06000	0.22000	0.00976
67	0.01128	0.00971	0.06000	0.22000	0.00976
68	0.01274	0.01095	0.06000	0.22000	0.00976
69	0.01441	0.01216	0.06000	0.22000	0.00976
70	0.01607	0.01344	0.06000	0.22000	0.00976
71	0.01787	0.01486	0.06000	0.22000	0.00976
72	0.01980	0.01674	0.06000	0.22000	0.00976
73	0.02221	0.01858	0.06000	0.22000	0.00976
74	0.02457	0.02067	0.06000	0.22000	0.00976
75	0.02728	0.02297	0.06000	0.22000	0.00976

PRIOR YEAR ASSUMPTIONS

VALUATION INTEREST RATE:	7.5%
ANNUAL SALARY INCREASE RATE:	6 ¾% (3.00% inflation / 3.75% merit)

GLOSSARY

Accrued Benefit – The pension benefit that an individual has earned as of a specific dated based on the provisions of the plan and the individual's age, service, and salary as of that date.

Actuarial Accrued Liability – The actuarial present value of benefits payable to members of the fund less the present value of future normal costs attributable to the members.

Actuarial Assumptions - Assumptions as to the occurrence of future events affecting pension costs. These assumptions include rates of mortality, withdrawal, disablement, and retirement. Also included are rates of investment earnings, changes in compensation, as well as statistics related to marriage and family composition.

Actuarial Cost Method – A procedure for determining the portion of the cost of a pension plan to be allocated to each year. Each cost method allocates a certain portion of the actuarial present value of benefits between the actuarial accrued liability and future normal costs. Once this allocation is made, a determination of the normal cost attributable to a specific year can be made along with the payment to amortize any unfunded actuarial accrued liability. To the extent that a particular funding method allocates a greater (lesser) portion of the actual present value of benefits to the actuarial accrued liability it will allocate less (more) to future normal costs.

Actuarial Equivalence – Payments or receipts with equal actuarial value on a given date when valued using the same set of actuarial assumptions.

Actuarial Gain (Loss) – The financial effect on the fund of the difference between the expected and actual experience of the fund. The experience may be related to investment earnings above (or below) those expected or changes in the liability structure due to fewer (or greater) than the expected numbers of retirements, deaths, disabilities, or withdrawals. In addition, other factors such as pay increases above (or below) those forecast can result in actuarial gains or losses. The effect of such gains (or losses) is to decrease (or increase) future costs.

Actuarial Present Value - The value, as of a specified date, of an amount or series of amounts payable or receivable thereafter, with each amount adjusted to reflect the time value of money (through accrual of interest) and the probability of payments. For example: if $600 invested today will be worth $1,000 in 10 years and there is a 50% probability that a person will live 10 years, then the actuarial present value of $1,000 payable to that person if he should survive 10 years is $300.

Actuarial Value of Assets - The value of cash, investments, and other property belonging to the pension plan as used by the actuary for the purpose of the actuarial valuation. This may correspond to the book value, market value, or some modification involving either or both book and market value. Adjustments to market values are often made to reduce the volatility of asset values.

Asset Gain (Loss) - That portion of the actuarial gain attributable to investment performance above (below) the expected rate of return in the actuarial assumptions.

Amortization Payment - That portion of the pension plan contribution designated to pay interest and reduce the outstanding principal balance of unfunded actuarial accrued liability. If the amortization payment is less than the accrued interest on the unfunded actuarial accrued liability the outstanding principal balance will increase.

Contribution Shortfall (Excess) - The difference between contributions recommended in the prior valuation and the actual amount received.

Decrements – Events which result in the termination of membership in the system such as retirement, disability, withdrawal, or death.

Employer Normal Cost - That portion of the normal cost not attributable to employee contributions. It includes both direct contributions made by the employer and contributions from other non-employee sources such as revenue sharing and revenues related to taxes.

Funded Ratio – A measure of the ratio of assets to liabilities of the system according to a specific definition of those two values. Typically the assets used in the measure are the actuarial value of assets; the liabilities are defined by reference to some recognized actuarial funding method. Thus the funded ratio of a plan depends not only on the financial strength of the plan but also on the funding method used to determine the liabilities and the asset valuation method used to determine the assets in the ratio.

Normal Cost - That portion of the actuarial present value of pension plan benefits and expenses allocated to a valuation year by the actuarial cost method. This is analogous to one year's insurance premium.

Pension Benefit Obligation - The actuarial present value of benefits earned or credited to date based on the members expected final average compensation at retirement. For current retirees or terminated members this is equivalent to the actuarial present value of their accrued benefit.

Projected Benefits – The benefits expected to be paid in the future based on the provisions of the plan and the actuarial assumptions. The projected values are based on anticipated future advancement in age and accrual of service as well as increases in salary paid to the participant.

Unfunded Actuarial Accrued Liability - The excess of the actuarial accrued liability over the actuarial value of assets.

Vested Benefits - Benefits that the members are entitled to even if they withdraw from service.

NOTES