



**ACTUARIAL
ASSOCIATES**

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Board of Trustees
**LOUISIANA STATE EMPLOYEES'
RETIREMENT SYSTEM**
Post Office Box 44213
Baton Rouge, Louisiana 70804-4213

Ladies and Gentlemen:

As a result of the Board adopting a discount rate of 8.0%, to be effective July 1, 2012, beginning with the June 30, 2012 actuarial valuation, and for purposes of determining the system's recommended projected rate for fiscal year 2012/2013, the projected composite rate is increasing by 1.2%, from 28.2% to 29.4%. The attached exhibits provide supporting information used to determine this projected rate.

Please let me know if you have any questions.

Sincerely,

Shelley Johnson, ASA, MAAA, FCA
Actuary

Board of Trustees
LASERS
 March 29, 2012

Projected FY 12/13 Employer Contribution	
a) Employer Portion of Normal Cost	\$186,106,576
b) Amortization Payments	531,955,696
c) Prior Contribution Variance	32,546,154
TOTAL Required Contribution	750,608,426
Less, Act 414 appropriation	311,064
Less, Act 740 appropriation	81,344
NET Required Contribution	750,216,018
	29.4%
Projected Aggregate Employer Normal Cost Rate	7.2856%
Projected Rank & File Employer Normal Cost Rate	6.9517%

The revised projected employer rate for FY 12/13 by plan, per Act 1026 of the 2010 Legislative Session, is shown below.

Plan	Total NC % (A)	Employee NC % (B)	Employer NC % (A)-(B)	Shared UAL %	Plan Specific UAL %	Total Employer Contribution %
a) Rank & File	14.6%	7.6%	7.0%	22.1%	0.045%	29.1%
b) Judges and Court Officers	24.2%	11.5%	12.7%	22.1%	0.0%	34.8%
c) Legislators	27.2%	11.5%	15.7%	22.1%	0.0%	37.8%
d) Corrections - Primary	20.9%	9.0%	11.9%	22.1%	0.0%	34.0%
e) Corrections - Secondary	17.7%	9.0%	8.7%	22.1%	0.0%	30.8%
f) Wildlife	24.3%	9.5%	14.8%	22.1%	0.0%	36.9%
g) Peace Officers	19.7%	9.0%	10.7%	22.1%	0.0%	32.8%
h) Alcohol Tobacco Control	17.0%	9.0%	8.0%	22.1%	0.0%	30.1%
i) Bridge Police	14.4%	8.4%	6.0%	22.1%	0.0%	28.1%
j) Judges (Act 992)	19.1%	13.0%	6.1%	22.1%	0.0%	28.2%
k) Hazardous Duty (Act 992)	15.1%	9.5%	5.6%	22.1%	0.307%	28.0%
Aggregate LASERS Plans	15.1%	7.8%	7.3%	22.1%	0.04%	29.4%

AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY

FY 12/13 - Projected according to original schedules using 8.25% discount rate

Date	Description	Amtz. Method	Amtz. Period	Initial Liability	Years Remain	Remaining Balance	Mid-Year Payment
2010	OAB	Note 1	19	1,936,750,759	17	1,945,944,622	162,704,311
2010	EAAB	Note 2	30	2,493,227,298	28	2,552,986,965	185,353,708
2009	Change in Assumptions	L	30	(221,451,744)	27	(215,375,826)	(19,354,265)
2009	Change in Liability	L	30	1,381,087,874	27	1,343,195,300	120,703,230
2010	Change in Liability	L	30	630,583,406	28	619,512,022	55,111,232
2011	Change in Liability	L	30	86,983,753	29	86,250,401	7,602,137
Plan Specific UAL							
2007	Act 414 - Chg in Lia	L	30	3,631,308	25	3,450,803	317,366
2008	Act 262 - Chg in Lia	L	10	1,999,338	6	1,382,505	289,619
2008	Act 740 - Chg in Lia	L	10	565,160	6	390,798	81,868
2010	Act 992 - 2010 Chg in Lia *	L	10	5,036,841	8	4,321,326	729,623
2011	Act 992 - 2011 Chg in Lia **	L	10	452,190	9	421,344	65,503
Total Outstanding Balance						\$ 6,342,480,260	\$ 513,604,332
Employers Credit Balance							
2008	Contribution Variance	L	5	(70,222,054)	1	(16,354,370)	(17,015,620)
2009	Contribution Variance	L	5	(13,861,476)	2	(6,210,505)	(3,358,797)
2010	Contribution Variance	L	5	74,727,281	3	48,332,815	18,107,289
2011	Contribution Variance	L	5	98,016,200	4	81,391,778	23,750,465
2012	Contribution Variance	L	5	46,473,994	5	46,473,994	11,261,189
Total Credit Balance						\$ 153,633,712	\$ 32,744,526
Total Unfunded Actuarial Accrued Liability						\$ 6,496,113,972	\$ 546,348,858

Act 992 2010 Increase in Accrued Liability - Change in retirement eligibility for Act 75 members (members hired on or after July 1, 2006 from 10 years of service at age 60 to 5 years of service at age 60)

** Act 992 2011 Increase in Accrued Liability due to change in normal form for prior members joining the Hazardous Duty Plan prospectively between January 1, 2011 and June 30, 2011 resulting in a change to their normal form of benefits, per LASERS interpretation of Act 992.

Note 1: Payment will increase by 5.5% for 4 years, 5% for two years, and thereafter at 2% until paid off in 2029.

Note 2: Payments will increase by 5.5% for 4 years, 5% for two years, and level thereafter until paid off in 2040.

AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY

FY 12/13 - Projected - Includes expected change in liability resulting from a change in discount rate from 8.25% to 8.0%, all other schedules reamortized using 8.0% discount rate

Date	Description	Amtz. Method	Amtz. Period	Initial Liability	Years Remain	Remaining Balance	Mid-Year Payment
2010	OAB	Note 1	17	1,945,944,622	17	1,945,944,622	159,970,851
2010	EAAB	Note 2	28	2,552,986,965	28	2,552,986,965	181,246,671
2009	Change in Assumptions	L	27	(215,375,826)	27	(215,375,826)	(18,952,205)
2009	Change in Liability	L	27	1,343,195,300	27	1,343,195,300	118,195,775
2010	Change in Liability	L	28	619,512,022	28	619,512,022	53,942,764
2011	Change in Liability	L	29	86,250,401	29	86,250,401	7,437,844
2012	Change in Liability	L	30	335,134,094	30	335,134,094	28,645,331
Plan Specific UAL							
2007	Act 414 - Chg in Lia	L	25	3,450,803	25	3,450,803	311,064
2008	Act 262 - Chg in Lia	L	6	1,382,505	6	1,382,505	287,768
2008	Act 740 - Chg in Lia	L	6	390,798	6	390,798	81,344
2010	Act 992 - 2010 Chg in Lia *	L	8	4,321,326	8	4,321,326	723,588
2011	Act 992 - 2011 Chg in Lia **	L	9	421,344	9	421,344	64,902
Total Outstanding Balance						\$ 6,342,480,260	\$ 531,955,696
Employers Credit Balance							
2008	Contribution Variance	L	1	(16,354,370)	1	(16,354,370)	(16,995,960)
2009	Contribution Variance	L	2	(6,210,505)	2	(6,210,505)	(3,351,191)
2010	Contribution Variance	L	3	48,332,815	3	48,332,815	18,046,769
2011	Contribution Variance	L	4	81,391,778	4	81,391,778	23,646,218
2012	Contribution Variance	L	5	46,473,994	5	46,473,994	11,200,318
Total Credit Balance						\$ 153,633,712	\$ 32,546,154
Total Unfunded Actuarial Accrued Liability						\$ 6,496,113,972	\$ 564,501,850

* Act 992 2010 Increase in Accrued Liability - Change in retirement eligibility for Act 75 members (members hired on or after July 1, 2006 from 10 years of service at age 60 to 5 years of service at age 60)

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