

## Teachers' Retirement System of Louisiana

*Retirement security in a changing world*

- The Teachers' Retirement System of Louisiana (TRSL) is the state's largest public retirement system. It was established on August 1, 1936, and is a qualified defined benefit retirement plan under Section 401(a) of the Internal Revenue Code. Most employees contribute eight percent of their earnings to TRSL. These contributions are tax sheltered until retirement.

- As of June 30, 2009, TRSL's net assets held in trust to pay benefits amounted to \$11.3 billion, and the investment market rate of return was -22.3 percent. As a long-term institutional investor, though, TRSL has achieved a 20-year average actuarial rate of return of 8.25 percent—which meets the System's target actuarial rate of return.

- Historically, investment earnings and member contributions make up the bulk of TRSL revenues, from which retiree benefits are paid.

- In FY 2008-09, TRSL paid more than \$1.4 billion in retirement benefits, of which 88 percent went to Louisiana residents. Those benefits not only serve as a source of income to retirees and beneficiaries, but they also fuel the local economies of communities in which the retirees live. As consumers, retired members spend their benefits on various goods and services. These expenditures and the sales tax revenue they generate stimulate the growth of Louisiana's economy.

- As of June 30, 2009, the unfunded accrued liability (UAL) debt was \$10.1 billion, up from \$6.9 billion a year ago. The bulk of this debt was incurred mainly between 1936 and 1986.

- For the sixth consecutive year, TRSL has been recognized for its efficient, cost-effective administration by a third-party benchmarking firm that provides cost and performance analysis for businesses in the pension industry. TRSL's actual cost was \$82 per member while the average cost for its peer systems was \$106 per member. CEM Benchmarking, Inc., of Toronto, also recognized TRSL for the high value and low cost of its investment program. TRSL's actual investment costs were \$10.6 million lower than its benchmark costs, primarily because the System paid less than its peers for similar investments.

### TRSL at a glance as of 6/30/2009

Total assets	\$11.3 billion
Actuarial rate of return <sup>1</sup>	-12.31%
Funding ratio	59.1%
Employer contribution	15.5%
Employee contribution	8.0%
Total membership <sup>2</sup>	170,821
Number of active members	88,206
Number of annuitants & beneficiaries	62,417
Average monthly benefit <sup>3</sup>	\$1,923

<sup>1</sup> TRSL's target actuarial rate is 8.25%

<sup>2</sup> Includes inactive members

<sup>3</sup> For average Regular Plan service retiree