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## **TRSL responds to report about pension liabilities**

Baton Rouge— A report out of Northwestern University regarding the ability of Louisiana's public pensions to meet future benefit obligations is misleading and is based on erroneous assumptions.

The report's author admits his analysis assumes that states will only pay the actual cost of funding retirement benefits, but make no payments on unfunded liabilities. In fact, Louisiana has paid actuarially required contributions toward retirement benefits which includes payments on unfunded liabilities every year since 1989, as required by state law. So the assumption that these payments have not and will not be made is without merit.

TRSL has been providing retirement benefits since its creation 74 years ago, earning a reputation as a reliable source of post-employment income to its more than 62,000 retired members. Furthermore, Louisiana has taken significant steps in the last 20-plus years to ensure retirement benefits remain secure for years to come, including the following:

**1987:** As mentioned above, Louisiana voters approved a constitutional amendment requiring TRSL to be funded on an actuarially sound basis through calculations designed to fully fund the cost of pension benefits and pay off the existing unfunded liability by 2029.

**2007:** Constitutional provisions were added to prohibit granting new benefits without identifying a funding source that will pay off the cost within 10 years.

**2006, 2008:** In these two years, the Legislature appropriated a combined \$66 million to reduce TRSL's unfunded accrued liability (UAL).

**2009:** The Legislature passed Act 497 which reamortized the unfunded liabilities, setting up more level and affordable payments over the course of the UAL payment schedule. In June 2010, \$778 million will be applied to TRSL's unfunded accrued liability to reduce this debt.

As in the past, TRSL will continue to work with the Legislature and all stakeholders to promote constructive actions that will benefit Louisiana and its retirees both now and in the future.

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For more information about TRSL, please visit our web site at: <http://www.trsl.org>