

A large, detailed photograph of a mature tree with a thick, textured trunk and a dense canopy of green leaves. Sunlight filters through the branches, creating a bright, dappled light effect. The tree is the central focus of the background image.

Rooted in
STABILITY

2025 Popular Annual
Financial Report

For fiscal years ended June 30, 2025 and 2024

A component unit of the State of Louisiana

Message from the Director

Dear TRSL Members and Benefit Recipients:

It is my privilege to present the 2025 Popular Annual Financial Report (PAFR) for the Teachers' Retirement System of Louisiana (TRSL). This report offers a snapshot of the System's financial position and investment performance for the fiscal year ended June 30, 2025. The information in this publication represents the combined efforts of the TRSL staff and its advisors.

The theme of this year's PAFR is Rooted in Stability. Years of hard work and legislative reforms have made TRSL a strong system capable of providing retirement security to thousands of public servants at a low administrative cost. That makes us proud.

TRSL's stability is especially evident in the funded status, which now stands at 80.3%. This is a remarkable achievement for a system whose funded status was 55% on the heels of a global financial market downturn in 2008. It's even more remarkable given that an 80% funded level is the benchmark commonly cited in pension administration as an indicator of a retirement system's soundness, good health, and long-term stability.

The pages of the PAFR contain ample evidence of TRSL's strength and sustainability as a retirement system. The unfunded accrued liability (UAL) was reduced by more than \$880 million. The market value of the system's total assets climbed to \$29.3 billion. And, investment returns remained stable despite a slowdown in global growth, economic uncertainty, and stubborn inflation.

One of the reasons for TRSL's stability is a highly diversified investment portfolio. Long-term investment returns continue to outperform peer returns. The past two years have produced back-to-back stable investment returns despite market challenges.

In fact, over the past 15-year period, TRSL's investment portfolio has had an annualized investment return of 9.5%. According to the Wilshire Trust Universe Comparison Service (TUCS), the system's investment returns rank in the top (best) 13th percentile of public pension funds with assets greater than \$1 billion for the 10-year period ending June 30, 2025.

TRSL is a solid system with strong roots. The impact of that strength touches every parish in Louisiana. Nearly 90% of TRSL members remain in Louisiana after retirement. Their modest, yet reliable benefits give them financial security that makes them economic engines in their communities. And, they can retire knowing they'll never outlive their benefit. They truly are rooted in stability.

On the legislative front, the 2025 Regular Session produced several bills and a study request that impacted TRSL. Among those was Act 47, which gave some Optional Retirement Plan

(ORP) participants an extended window of time to switch back to the TRSL defined benefit plan. Technical college faculty and staff also now have the opportunity to join the ORP.

Also of note were Act 222 and Act 366, which would work in tandem to make raises for teachers and school personnel permanent by taking the balance in three constitutionally protected education trust funds and paying retirement debt. The idea is to generate savings for TRSL-participating employers and create room in their budgets to fund the raises. The proposal requires statewide voter approval of a constitutional amendment that will be on the ballot in the spring of 2026.

Details on other legislation affecting the system can be found on page 7.

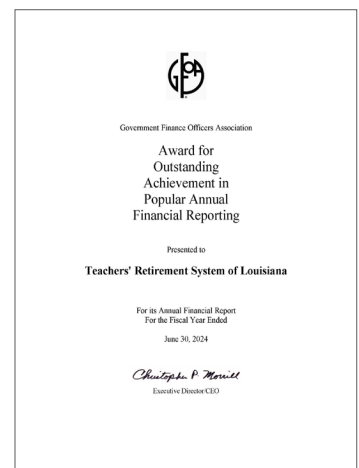
Finally, our website at www.TRSL.org got a tune-up this past year. I invite you to visit and explore. You'll find resources organized by where you are in your career, making it easy for you to locate just what you need for your retirement journey.

The TRSL Board of Trustees and I also encourage you to peruse the pages of this report. It is an abbreviated version of the Annual Comprehensive Financial Report that provides a wealth of information about TRSL's financial position and investment performance. The financial statements have been prepared in accordance with Generally Accepted Accounting Principles of the United States, and have been audited by an independent certified public accounting firm on behalf of the Louisiana Legislative Auditor's Office. More detailed information can be found in the 2025 Annual Comprehensive Financial Report, available at www.TRSL.org.

Sincerely,

Katherine M. Whitney
TRSL Director

For the last 23 years, the Government Finance Officers Association of the United States and Canada (GFOA) has recognized TRSL for preparation of its summary annual report.



Financial Information

TRSL ended Fiscal Year 2025 with \$29.3 billion in net assets. The chart immediately below shows TRSL's assets and liabilities over the past three years, as well as the net assets held in trust. The second chart below details the additions to and deductions from the plan net assets for the same three-year period.

Condensed Comparative Statements of Fiduciary Net Position

	2025	2024	2023
Assets			
Cash and cash equivalents	\$ 275,658,441	\$ 386,208,106	\$ 247,479,474
Receivables	2,033,778,687	2,174,801,965	2,251,340,946
Investments (fair value)	29,134,438,729	26,792,571,354	25,688,786,448
Securities lending collateral	2,175,159,946	2,116,076,319	1,889,814,437
Property and equipment, at cost (net)	3,100,510	3,447,114	3,600,758
Total assets	33,622,136,313	31,473,104,858	30,081,022,063
Deferred Outflows of Resources	5,892,843	5,682,205	8,230,809
Liabilities			
Accounts payable and other liabilities	2,113,455,195	1,994,056,467	2,066,144,585
Securities lending collateral	2,175,159,946	2,116,076,319	1,889,814,437
Total liabilities	4,288,615,141	4,110,132,786	3,955,959,022
Deferred Inflows of Resources	5,186,385	7,212,467	8,106,946
Net Position Restricted for Pensions	\$ 29,334,227,630	\$ 27,361,441,810	\$ 26,125,186,904

Condensed Comparative Statements of Changes in Fiduciary Net Position

	2025	2024	2023
Additions (Reductions)			
Member contributions	\$ 443,642,603	\$ 429,105,877	\$ 406,654,301
Employer contributions	1,224,369,212	1,357,916,563	1,333,120,568
Non-employer contributions	55,818,906	51,912,412	47,527,932
LSU Co-Operative Extension*	785,211	1,758,986	1,889,857
Other operating revenues	16,548,471	76,265,495	113,567,875
Net investment income (loss)	2,770,350,275	1,808,063,554	1,626,636,748
Total additions (reductions)	4,511,514,678	3,725,022,887	3,529,397,281
Deductions			
Benefits, refunds, and other	2,519,421,415	2,470,839,278	2,438,001,434
LSU Co-Operative Extension*	1,416,715	1,496,568	1,623,060
Administrative expenses	17,290,462	15,874,549	14,937,155
Depreciation expense	600,266	557,586	521,848
Total deductions	2,538,728,858	2,488,767,981	2,455,083,497
Net Increase (Decrease)	1,972,785,820	1,236,254,906	1,074,313,784
Net Position Restricted for Pensions, beginning of year	27,361,441,810	26,125,186,904	25,050,873,120
Net Position Restricted for Pensions, end of year	\$ 29,334,227,630	\$ 27,361,441,810	\$ 26,125,186,904

*LSU Co-Operative Extension: Supplemental benefits administered by TRSL for members of the Louisiana State University Agriculture and Extension Service who hold membership in the United States Civil Service Retirement System.

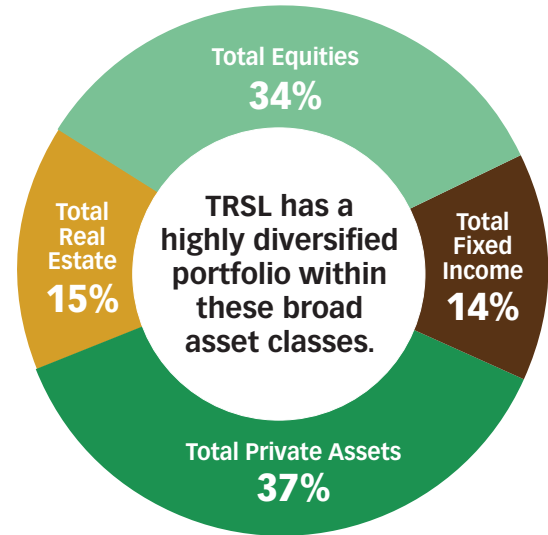
Investment information

A highly diversified portfolio of global assets helps TRSL withstand periods of market volatility and meet our investment goals over the long term.

Investments are spread over a broad set of asset classes, including stocks, bonds, real estate, and private assets. This diversity has helped us sustain annualized returns over the past 10 years of 8.8% (gross of fees).

TRSL's investment portfolio has seen back-to-back stable investment returns for fiscal years 2025 and 2024. The market value of investment assets was \$29.1 billion at June 30, 2025. According to the Wilshire Trust Universe Comparison Service (TUUS), the System's investment returns rank in the top (best) 13th percentile of public pension funds with assets greater than \$1 billion for the 10-year period ending June 30, 2025.

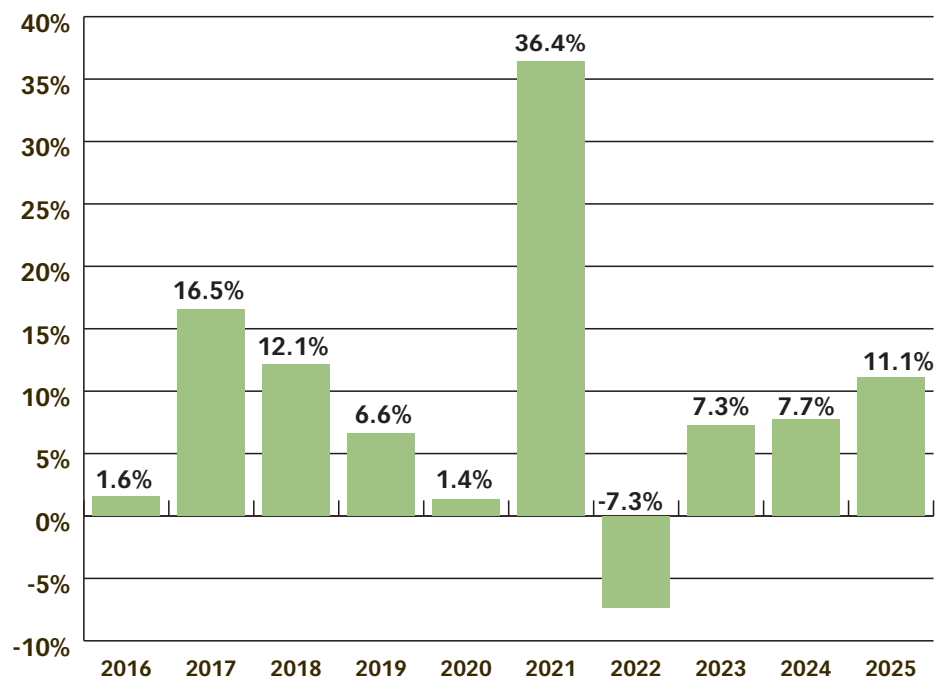
Target Asset Allocation



Investments at Fair Value

	2025	2024	2023
Short-term investments	\$ 1,359,748,599	\$ 983,115,923	\$ 1,194,546,215
Global debt securities	3,804,121,657	3,717,795,543	2,549,554,777
Global equity securities	9,304,457,749	9,225,649,325	9,696,210,341
Private assets	10,255,084,447	9,602,909,057	9,176,540,872
Real estate	4,411,026,277	3,263,101,506	3,071,934,243
Total Investments	\$ 29,134,438,729	\$ 26,792,571,354	\$ 25,688,786,448

10-Year
Rates of Return
(gross of fees)



Actuarial Information

Funding retirements requires projecting how much it will take to pay benefits years in the future. To do this, the TRSL actuary calculates the System's long-term liabilities, taking into account many assumptions of future events, including mortality and disability rates, salary increases, and termination and retirement rates. These assumptions are based upon TRSL's past experience and help project future funding needs.

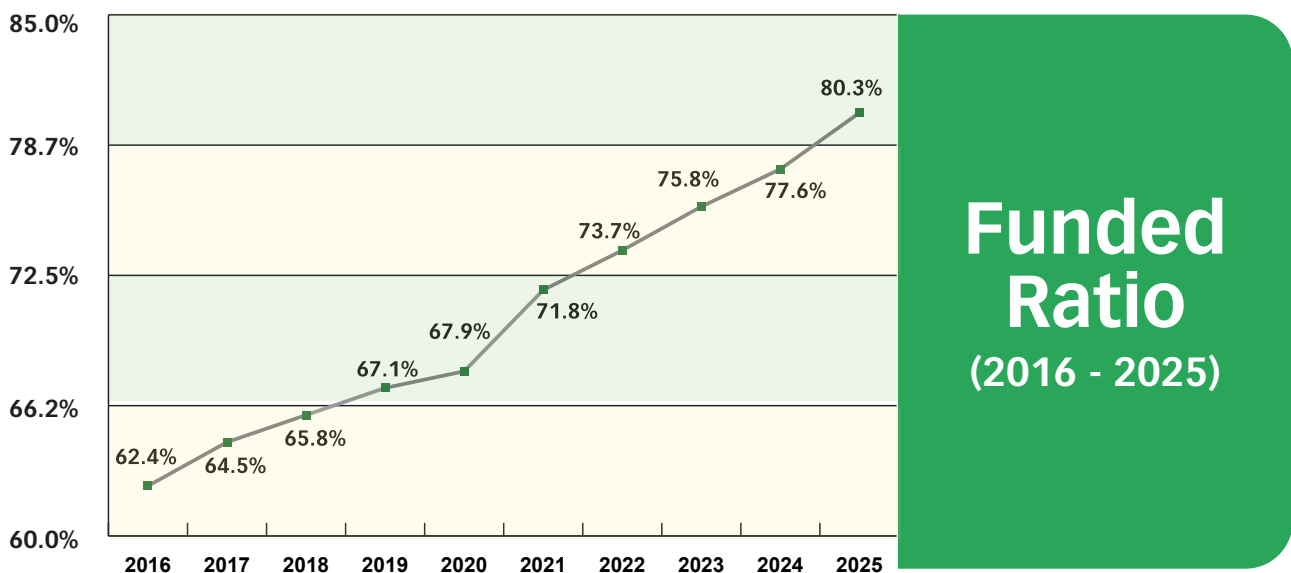
The actuary also calculates the actuarial value of the System's assets. Actuarial value and market value are different. Market value is based on what assets could be sold for on a specific date, which can change daily. Actuarial value is based on a technique that "smooths" short-term market gains and losses over a five-year period. While it approximates market value, the actuarial value removes much of the volatility global markets experience by incrementally recognizing market highs and lows over the course of five years.

Using the actuarial value provides a reliable way to estimate the System's assets and liabilities that is not tied to day-to-day market fluctuations and helps TRSL better meet its long-term funding needs. As of June 30, 2025, the System's actuarial value of assets was \$29.4 billion, up from \$27.9 billion in the previous fiscal year. TRSL's actuarial funded ratio increased to 80.3% in FY 2025 from 77.6% in FY 2024. The actuarial funded ratio of 80.3% means that TRSL has 80.3 cents of every dollar needed to cover the present value of future retirement benefits.

Summary of Actuarial Valuation

	2025	2024	2023
Membership			
Retirees	84,923	84,143	83,525
Active	91,087	89,504	88,527
DROP	2,139	2,139	2,109
Terminated vested	10,603	10,325	9,836
Actuarial investment return	8.67%	7.01%	6.79%
Actuarial funded ratio	80.3%	77.6%	75.8%
Annual benefits paid*	\$ 2,461,443,365	\$ 2,413,429,687	\$ 2,382,145,347

*Includes LSU Co-Operative Extension



Revenues and Expenses

Revenues: The TRSL defined benefit retirement plan is funded by (1) contributions from members, (2) contributions from employers, and (3) investment earnings. The System invests member and employer contributions, and retirement benefits are paid from TRSL investment earnings. The retirement system provides retirees with a lifetime monthly benefit based on length of service, final average compensation, and a benefit accrual factor.

Some employees in higher education choose to participate in the Optional Retirement Plan (ORP), a defined contribution plan similar to a 401(k) account. These accounts are credited with employee contributions (less a 0.05% administrative fee) and a portion of employer contributions called the "transfer amount," which must be at least 6.2%. The UAL portion of the employer contribution is reflected in the Employer column of the Revenues by Source table below.

Income from miscellaneous receipts related to operation of the pension plan, such as litigation settlements and processing fees, is listed in the table below as Other Operating Revenues.

Revenues by Source

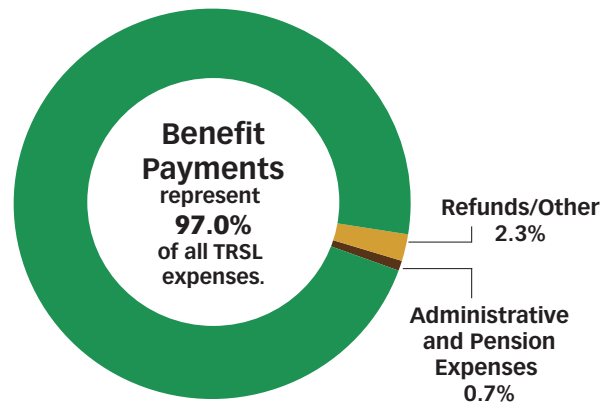
Fiscal Year	Member	Employer	Non-Employer*	Appropriations Acts	Excess Mineral Revenue	Net Investment Income	Other Operating Revenues	Total
2022-2023	\$ 406,654,301	\$ 1,333,120,568	\$ 49,417,789	\$ 50,663,234 ^o	\$ 57,000,000 ^f	\$ 1,626,636,748	\$ 5,904,641	\$ 3,529,397,281
2023-2024	429,105,877	1,357,916,563	53,671,398	24,687,271 ^{**}	42,020,213 ^f	1,808,063,554	9,558,011	3,725,022,887
2024-2025	443,642,603	1,224,369,212	56,604,117	7,594 ^{***}	7,743,397 ^f	2,770,350,275	8,797,480	4,511,514,678

*Refers to the sheriff tax collections and LSU Co-Op Extension; ^fAct 679 of 2016; ^oAct 397 of 2023; ^{**}Act 776 of 2024; ^{***}Act 461 of 2025

Expenses: In Fiscal Year 2025, TRSL paid nearly \$2.5 billion in retirement benefits. These dollars provide a reliable monthly income to nearly 85,000 retirees and beneficiaries, the majority of whom live in Louisiana.

As shown in the pie chart to the right, 97 cents of every dollar went toward benefit payments in Fiscal Year 2025. Administrative expenses account for less than one penny out of that same dollar. TRSL is a system that offers a high level of service at a low cost.

FY 2025 Expenses by Type



Expenses by Type

Fiscal Year	Benefits*	Pension Expense	Refunds/Other	Administrative Expenses [†]	Depreciation Expense	Total
2022-2023	\$ 2,381,161,503	\$ 3,249,945	\$ 55,213,046	\$ 14,937,155	\$ 521,848	\$ 2,455,083,497
2023-2024	2,412,815,991	1,428,227	58,091,628	15,874,549	557,586	2,488,767,981
2024-2025	2,461,366,542	42,212	59,429,377	17,290,462	600,266	2,538,728,859

*Includes Other Post-Employment Benefits (OPEB) expense and LSU Co-Op Extension.

[†]Investment administrative expenses are excluded from this total in accordance with GASB 67.

Summary of FY 2025 Legislation

ACT 47 (Rep. Tony Bacala) Makes a number of changes to the Optional Retirement Plan (ORP), including expanding ORP eligibility to technical college staff and extending the window of time for some ORP participants to switch back to the TRSL defined benefit plan. Also changes the terms of the TRSL defined benefit plan to allow those who are 60+ years of age at first TRSL-eligible employment, or 55+ with 40 quarters in Social Security, to decline to join TRSL.

ACT 222 (Rep. Julie Emerson) A constitutional amendment that calls for amending the state constitution to take the balance in three constitutionally protected education trust accounts to pay retirement debt as a way to create savings for TRSL-participating employers and fund permanent teacher pay raises.

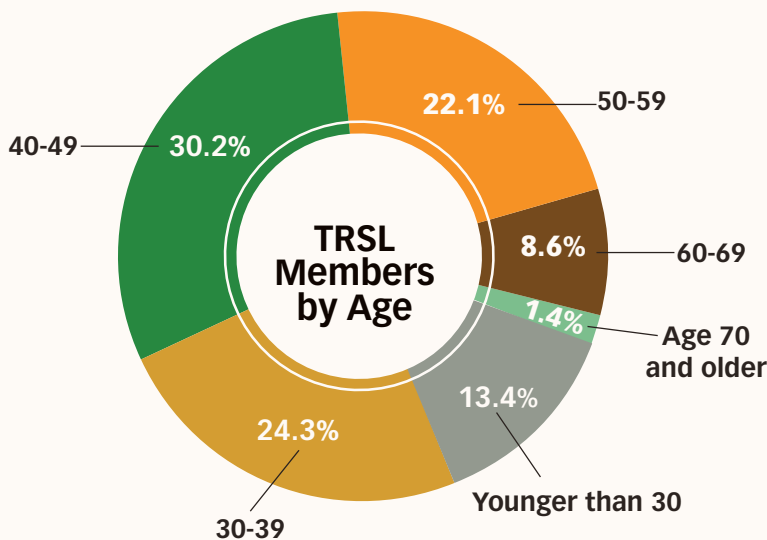
ACT 351 (Rep. Chance Henry) Requires state agencies or political subdivisions to verify the citizenship or immigration status of applicants for federal, state, or local public benefits, including retirement benefits.

ACT 366 (Rep. Josh Carlson) A companion piece of legislation to Act 222 that directs the savings from the reduced employer contribution rate to make permanent salary increases of \$2,250 for teachers and \$1,125 for school personnel beginning in the 2026-27 school year if the constitutional amendment passes in a statewide election set for May 16, 2026.

ACT 461 (Rep. Jack McFarland) Makes a supplemental appropriation of \$7,594 to the TRSL initial unfunded accrued liability (IUAL) from the State General Fund.

SSR 1 (Sen. Ed Price) Asks the Senate Committee on Retirement to study possible changes to TRSL retiree reemployment that would balance retiree options and impact, employer staffing needs, ease of usage, actuarial impact, and financial cost.

TRSL at a GLANCE



Ten largest employers (FY 2025)

	# of employees
Jefferson Parish School Board	4,969
St. Tammany Parish School Board	4,739
EBR Parish School Board	4,597
Calcasieu Parish School Board	3,968
Caddo Parish School Board	3,751
Lafayette Parish School Board	3,501
Livingston Parish School Board	3,090
Ascension Parish School Board	2,818
Rapides Parish School Board	2,677
Tangipahoa Parish School Board	2,515

WORD GLOSSARY

Actuarial Funded Ratio: A measure of financial health using a ratio of actuarial value of assets to plan liabilities through a specified cost method.

Actuarial Valuation: An annual analysis of the system's financial position. This report determines the funding necessary to pay retirement benefits for current and future retirees.

Actuarial Value of Assets: The value of plan assets after recognizing investment gains and losses over time to tame market volatility.

Asset Allocation: Strategic distribution of assets to achieve pension fund objectives.



2025 Popular Annual FINANCIAL REPORT

Katherine Whitney, Director

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