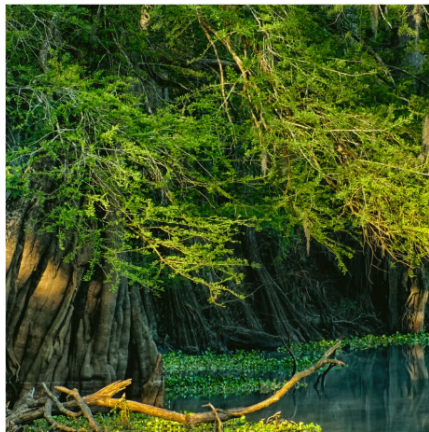




2024 POPULAR Annual Financial Report



Stable. Secure. Sustainable.
For fiscal years ended June 30, 2024 and 2023

**TRSL**
Teachers' Retirement
System of Louisiana
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 2024 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, 2024. The information in this publication represents the combined efforts of the TRSL staff and its advisors.

For this year's PAFR, we focused on three words that succinctly describe TRSL's standing as a pillar of economic strength for members and for Louisiana communities: stable, secure and sustainable. TRSL is on strong footing with a growing funded level and a diminishing unfunded accrued liability (UAL).

Part of TRSL's strength can be attributed to a highly diversified investment portfolio. TRSL saw two years of back-to-back stable investment returns despite the pressures of inflation and market changes. The System's diversification tempers the impact of market fluctuations, resulting in annualized returns of 7.5% over the last decade.

Because TRSL is a long-term investor with a solid investment policy, our investment returns continue to outpace peer returns. TRSL earned a 7.7% return on investments (gross of fees) for the fiscal year that ended June 30, 2024, with the market value of assets totaling almost \$27.4 billion.

TRSL's funded ratio now stands at 77.6%, up from 75.8%. The unfunded accrued liability (UAL) decreased by nearly \$500 million. And, the contribution rate paid by employers will go down in Fiscal Year 2025-26 for the seventh consecutive year.

The funded ratio is notable because it's an important indicator of a retirement system's health. Legislative reforms since 2009 have helped to strengthen TRSL as evident in the valuation results.

Another statistic we often tout is the percentage of our members who stay in Louisiana after retiring. TRSL paid more than \$2.5 billion in benefits to 84,143 retirees and beneficiaries in Fiscal Year 2024. Nearly 90% of those members live in Louisiana, where they spend dollars that support local economies. Because TRSL is a sustainable retirement plan, our members can—in turn—help sustain their communities.

On the legislative front, the 2024 Regular Session produced several bills and resolutions that impacted TRSL. Among those was Act 109, which created a window of opportunity for some Optional Retirement Plan (ORP) participants to make a one-time, irrevocable decision to leave their 401(k)-style plan and join TRSL's defined benefit plan.

Also important was Act 394, which addressed classroom teaching shortages by allowing more retirees in K-12 to return to work without a benefit suspension; and Act 776 made a

supplemental appropriation of \$24.7 million to the TRSL initial unfunded accrued liability (IUAL) from a portion of the FY 2022-23 surplus funds in the state treasury. Other legislation affecting the system can be found on page 7.

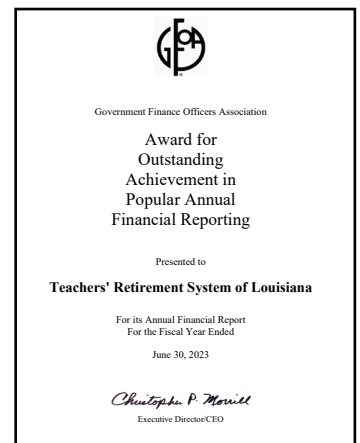
For more information about your retirement plan, please explore our website at www.TRSL.org. We have an array of easy-to-navigate resources, including newsletters, quick facts, brochures, videos and more.

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 2024 Annual Comprehensive Financial Report, available at www.TRSL.org.

Sincerely,

Katherine M. Whitney
TRSL Director

For the last 22 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 2024 with almost \$27.4 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

	2024	2023	2022
Assets			
Cash and cash equivalents	\$ 386,208,106	\$ 247,479,474	\$ 287,758,424
Receivables	2,174,801,965	2,251,340,946	2,161,247,957
Investments (fair value)	26,792,571,354	25,688,786,448	24,493,475,102
Securities lending collateral	2,116,076,319	1,889,814,437	2,249,411,149
Property and equipment, at cost (net)	3,447,114	3,600,758	3,762,992
Total assets	31,473,104,858	30,081,022,063	29,195,655,624
Deferred Outflows of Resources	5,682,205	8,230,809	7,234,204
Liabilities			
Accounts payable and other liabilities	1,994,056,467	2,066,144,585	1,898,004,981
Securities lending collateral	2,116,076,319	1,889,814,437	2,249,411,149
Total liabilities	4,110,132,786	3,955,959,022	4,147,416,130
Deferred Inflows of Resources	7,212,467	8,106,946	4,600,578
Net Position Restricted for Pensions	\$ 27,361,441,810	\$ 26,125,186,904	\$ 25,050,873,120

Condensed Comparative Statements of Changes in Fiduciary Net Position

	2024	2023	2022
Additions (Reductions)			
Member contributions	\$ 429,105,877	\$ 406,654,301	\$ 378,065,214
Employer contributions	1,357,916,563	1,333,120,568	1,266,088,182
Non-employer contributions	51,912,412	47,527,932	45,234,317
LSU Co-Operative Extension*	1,758,986	1,889,857	1,987,638
Other operating revenues	76,265,495	113,567,875	49,860,342
Net investment income (loss)	1,808,063,554	1,626,636,748	(2,042,713,110)
Total additions (reductions)	3,725,022,887	3,529,397,281	(301,477,417)
Deductions			
Benefits, refunds, and other	2,470,839,278	2,438,001,434	2,354,988,797
LSU Co-Operative Extension*	1,496,568	1,623,060	1,739,624
Administrative expenses	15,874,549	14,937,155	14,554,420
Depreciation expense	557,586	521,848	494,877
Total deductions	2,488,767,981	2,455,083,497	2,371,777,718
Net Increase (Decrease)	1,236,254,906	1,074,313,784	(2,673,255,135)
Net Position Restricted for Pensions, beginning of year	26,125,186,904	25,050,873,120	27,724,128,255
Net Position Restricted for Pensions, end of year	\$ 27,361,441,810	\$ 26,125,186,904	\$ 25,050,873,120

*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.

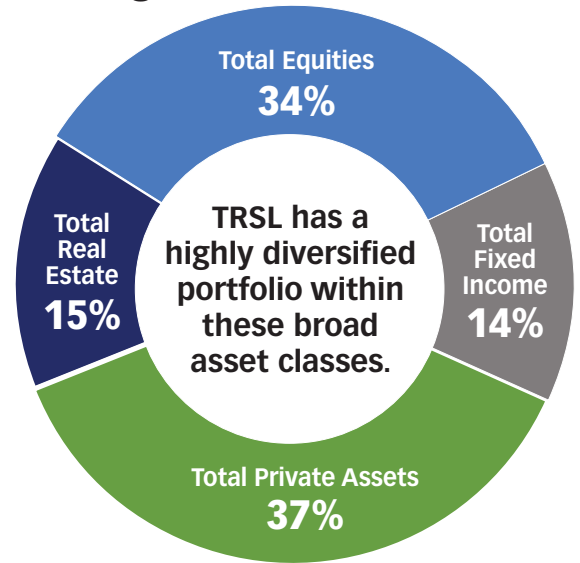
Investment information

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 ten years of 7.5% (gross of fees).

TRSL's investment portfolio has seen back-to-back stable investment returns for fiscal years 2024 and 2023. The market value of assets is now valued at \$27.4 billion. According to the Wilshire Trust Universe Comparison Service (TUCS), the System's investment returns rank in the top (best) 19th percentile of public pension funds with assets greater than \$1 billion for the 10-year period ending June 30, 2024.

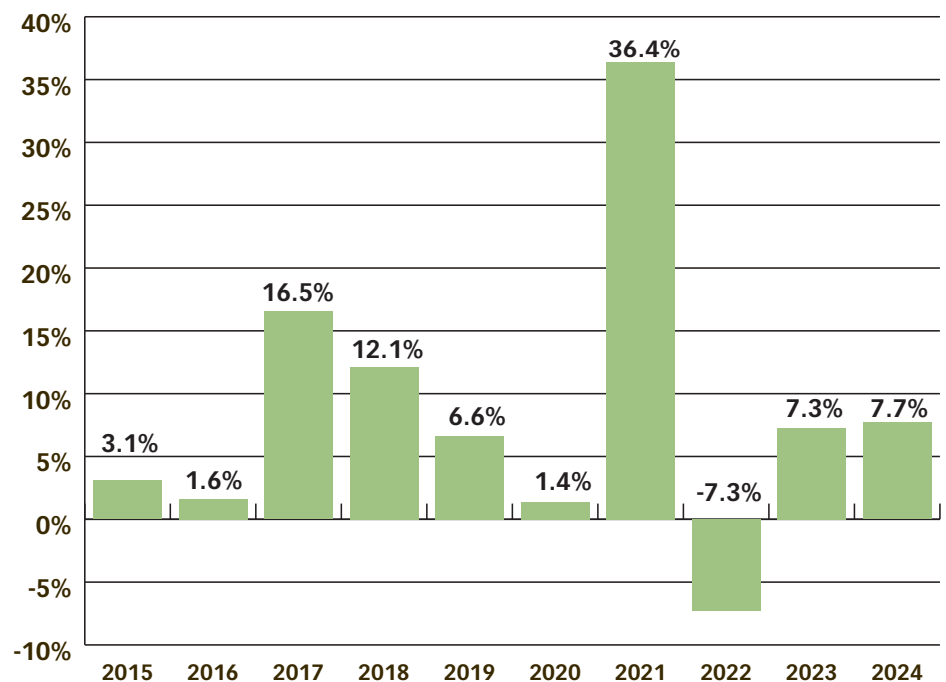
Target Asset Allocation



Investments at Fair Value

	2024	2023	2022
Short-term investments	\$ 983,115,923	\$ 1,194,546,215	\$ 1,020,749,502
Global debt securities	3,717,795,543	2,549,554,777	2,800,253,489
Global equity securities	9,225,649,325	9,696,210,341	8,878,055,972
Private assets	9,602,909,057	9,176,540,872	8,754,904,208
Real estate	3,263,101,506	3,071,934,243	3,039,511,931
Total Investments	\$ 26,792,571,354	\$ 25,688,786,448	\$ 24,493,475,102

**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.

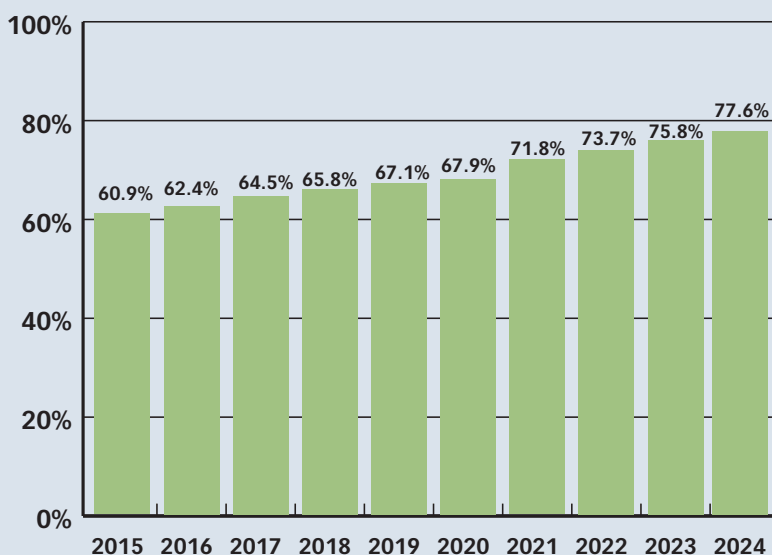
The actuary also calculates the actuarial value of the System’s assets. Actuarial value and market value are different. Market value is based on what assets could be sold for on a specific date, which can change daily. Actuarial value is based on a technique that “smooths” short-term market gains and 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, 2024, the System’s actuarial value of assets was \$27.9 billion, up from \$26.7 billion in the previous fiscal year. TRSL’s actuarial funded ratio increased to 77.6% in FY 2024 from 75.8% in FY 2023. The actuarial funded ratio of 77.6% means that TRSL has 77.6 cents of every dollar needed to cover the present value of future retirement benefits.

Summary of Actuarial Valuation

	2024	2023	2022
Membership			
Retirees	84,143	83,525	82,600
Active	89,504	88,527	86,364
DROP	2,139	2,109	2,172
Terminated vested	10,325	9,836	9,245
Actuarial investment return	7.01%	6.79%	8.96%
Actuarial funded ratio	77.6%	75.8%	73.7%
Annual benefits paid*	\$ 2,413,429,687	\$ 2,382,145,347	\$ 2,305,608,025

*Includes LSU Co-Operative Extension



**Funded
Ratio**
(2015 - 2024)

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
2021-2022	\$ 378,065,214	\$ 1,266,088,182	\$ 47,221,955	\$ 48,092,612 [‡]		\$ (2,042,713,110)	\$ 1,767,730	\$ (301,477,417)
2022-2023	406,654,301	1,333,120,568	49,417,789	50,663,234 [°]	\$ 57,000,000 [†]	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 [†]	1,808,063,554	9,558,011	3,725,022,887

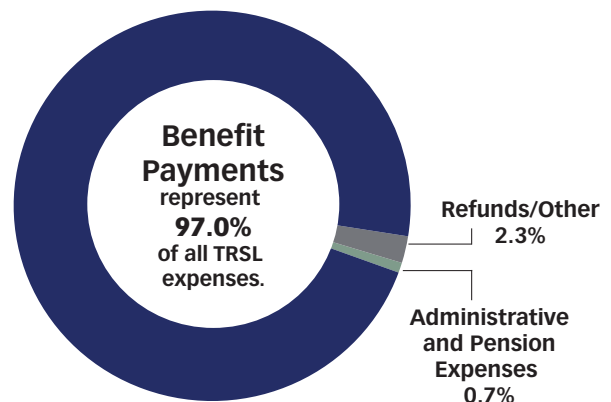
*Refers to the sheriff tax collections and LSU Co-Op Extension; [‡]Act 170 of 2022; [°]Act 397 of 2023; [†]Act 679 of 2016; ^{**}Act 776 of 2024

Expenses

In Fiscal Year 2024, TRSL paid \$2.5 billion in retirement benefits. These dollars provide a reliable monthly income to more than 84,000 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 2024. 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 2024 Expenses by Type



Expenses by Type

Fiscal Year	Benefits*	Pension Expense	Refunds/Other	Administrative Expenses [†]	Depreciation Expense	Total
2021-2022	\$ 2,306,240,259	\$ 758,208	\$ 49,729,954	\$ 14,554,420	\$ 494,877	\$ 2,371,777,718
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

*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 2024 Legislation

ACT 46 (Sen. Ed Price) Adds clarifying language in the law related to employer contributions eligible for transfer to another Louisiana public retirement system when a member requests to transfer their service credit to another system, fund, or plan in which they become eligible for membership.

ACT 109 (Rep. Barbara Frieberg) Creates a window of opportunity for some ORP participants to make a one-time, irrevocable decision to leave the ORP defined contribution retirement plan and join the TRSL defined benefit plan as new members.

ACT 394 (Rep. Neil Riser) Expands critical shortage provisions to allow full-time and part-time reemployment in PreK-12 classroom teacher and certain assessment positions without benefit suspension (after 12-month waiting period) to retirees regardless of retirement date.

ACT 776 (Rep. Jack McFarland) Makes a supplemental appropriation of \$24.7 million to the TRSL initial unfunded accrued liability (IUAL) from a portion of the FY 2022-23 surplus funds in the state treasury.

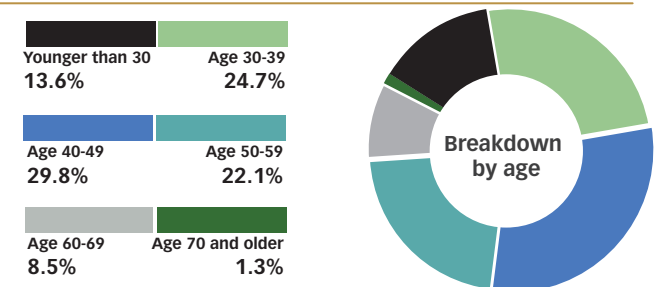
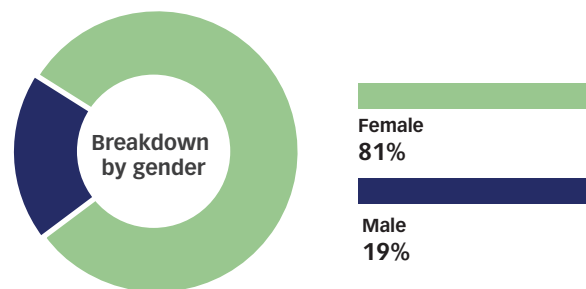
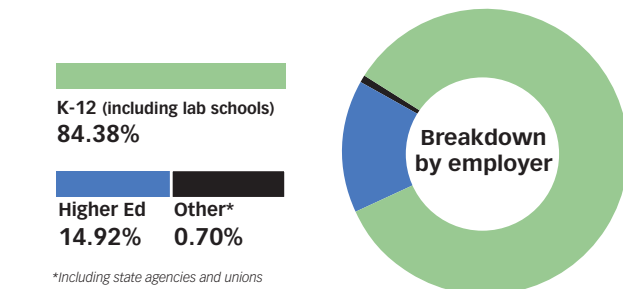
HCR 20 (Rep. Mike Johnson) Asks Congress to take actions necessary to review the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP) Social Security benefit reductions and to eliminate or reduce them by supporting H.R. 82 and S. 597 of the 118th Congress and all similar legislation.

TRSL at a Glance

Ten largest employers (FY 2024)

	# of employees
Jefferson Parish School Board	4,872
St. Tammany Parish School Board	4,806
EBR Parish School Board	4,747
Calcasieu Parish School Board	3,942
Caddo Parish School Board	3,842
Lafayette Parish School Board	3,480
Livingston Parish School Board	3,051
Ascension Parish School Board	2,703
Rapides Parish School Board	2,659
Bossier Parish School Board	2,496

Membership Demographics



2024 Popular Annual Financial REPORT



Katherine Whitney, Director

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Facebook/X/YouTube: @TRSLonline

TRSL is an equal opportunity employer and complies with the Americans with Disabilities Act.

This is an electronic document. The Teachers' Retirement System of Louisiana did not incur any printing costs.