About TRSL
The Teachers’ Retirement System of Louisiana (TRSL) is the state’s largest public retirement system with more than 199,000 members. Established in 1936, TRSL is a qualified defined benefit retirement plan under Section 401(a) of the Internal Revenue Code. TRSL’s primary purpose is to provide a reliable source of retirement income to members and their beneficiaries.

Administration
TRSL is governed by a 17-member board of trustees. There are 12 elected members: representatives elected by active members in each of TRSL’s seven districts; one representative for employees paid with school food service funds; one for employees of state colleges and universities; and one for members employed as a parish or city superintendent of schools. Two trustees are elected by retired members. There are four ex officio members: the state Superintendent of Education, state Treasurer, Commissioner of Administration, and Chair of the Senate retirement committee. A member of the House retirement committee is appointed to serve on the board by the Speaker of the House.

The TRSL Board sets policy and determines the investment of system funds. Members of the TRSL Board are required to complete continuing education or professional development training each year in investments, actuarial science, law, and ethics.

Funding
Traditional defined benefit plans rely on funding from three sources: (1) employee contributions, (2) employer contributions, and (3) investment earnings of the retirement system. Retirement benefits are not based upon the amount of contributions made, but on a formula that takes into account years of service, average salary, and a benefit factor. At TRSL, most members contribute 8% of every paycheck toward their retirements. Their employers contribute a percentage of payroll for this purpose as well.

The employer contribution is calculated annually and is made up of three parts: (1) the normal cost, which is the cost of funding the benefits all active employees will earn that year; (2) that year’s payment for the unfunded accrued liability (UAL); and (3) TRSL’s non-investment related administrative expenses.

Over the last five years, the normal cost for the K-12 Regular Plan has ranged between 3% and 5%. Payments to the UAL are determined annually by statute. TRSL administrative expenses are now funded through employer contributions. Employer and employee contributions are pooled and invested by the TRSL Board.

Financial Information
As of June 30, 2019, TRSL’s net assets held in trust to pay benefits amounted to $21.7 billion. Retirement benefit payments represent 97.1% of all TRSL pension administration expenses. Administrative costs make up less than 1.0% of TRSL expenses.

TRSL paid more than $2.2 billion in benefits in FY 2019. Approximately $1.9 billion went to retirees and beneficiaries living in Louisiana, giving them buying power in their local communities.

<table>
<thead>
<tr>
<th>TRSL Financials as of June 30, 2019</th>
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</thead>
<tbody>
<tr>
<td><strong>Market return (net of fees)</strong></td>
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<tr>
<td><strong>Actuarial rate of return</strong></td>
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<tr>
<td><strong>30-year actuarial rate of return</strong></td>
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www.TRSL.org

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TRSL Retirement Plans

Regular Plan
- The majority of TRSL members belong to the Regular Plan.
- This plan includes individuals employed in any of the classifications defined by state law as a “teacher” for whom enrollment in TRSL is mandatory as a condition of employment, and who meet the eligibility requirements.
- Members contribute 8.0% of salary toward retirement.

Plan A
- This plan includes members of the School Lunch Employees’ Retirement System when that system merged with TRSL on July 1, 1983. As of 1983, Plan A no longer takes new members. Therefore, school food service personnel hired after 1983 in a non-Plan B parish (as listed below) belong to the Regular Plan.
- Members continue with the same eligibility requirements as before the merger as long as they are employed as a school food service worker in one of the parishes that contribute to TRSL's Plan A (all parishes except those in Plan B, below).
- Members contribute 9.1% of salary toward retirement.

Plan B
- This plan includes school food service employees in the parishes of Allen, Assumption, Avoyelles, Cameron, Catahoula, Concordia, DeSoto, East Feliciana, Jefferson, Jefferson Davis, Lafayette, LaSalle, Morehouse, Orleans, Red River, St. Helena, St. John the Baptist, St. Mary, Washington, and West Feliciana.
- Plan B members also contribute to the old-age portion of Social Security, and become eligible for unreduced Social Security benefits when reaching the required age for Social Security retirement.
- Members contribute 5.0% of their salaries toward retirement.

Optional Retirement Plan (ORP)
- Unclassified faculty members and administrators employed by institutions of higher education are eligible to participate in ORP.
- ORP is a defined contribution plan, unlike the Regular Plan and Plans A and B, which are defined benefit plans.
- Members choosing this option make a one-time, irrevocable election to participate in ORP and cannot re-enter TRSL’s defined benefit plan.

TRSL at a glance (as of 6/30/19)

<table>
<thead>
<tr>
<th></th>
<th>Total membership^3</th>
<th>199,191</th>
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</thead>
<tbody>
<tr>
<td>Net assets</td>
<td>$21.7 billion</td>
<td></td>
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<tr>
<td>Funding ratio</td>
<td>67.1%</td>
<td></td>
</tr>
<tr>
<td>Employer contribution (FY 2020-21)^1</td>
<td>25.6%</td>
<td></td>
</tr>
<tr>
<td>Employee contribution^2</td>
<td>8.0%</td>
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<tr>
<td>Number of active members</td>
<td>85,998</td>
<td></td>
</tr>
<tr>
<td>Number of annuitants &amp; beneficiaries</td>
<td>79,647</td>
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<tr>
<td>Average monthly benefit^4</td>
<td>$2,247</td>
<td></td>
</tr>
</tbody>
</table>

^1 Aggregate rate; ^2 Regular Plan; ^3 Includes inactive members; ^4 For regular retirees