

the desired effect

Office of the Louisiana Legislative Auditor

DB versus DC Discussion Follow-up to Phase I

March 24, 2010



lowick

**LASERS Regular
Employees**



Alternate DC Levels – Alternate Contribution Levels

Alternate DC Plan 15% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	59%	80%	92%	111%
25	46%	65%	74%	91%
30	36%	51%	59%	73%
35	26%	39%	46%	58%
40	18%	29%	34%	44%
45	11%	20%	25%	33%

Replacement Ratios
Assume 6.00% Return on
Investments Each Year

Alternate DC Plan 13% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	51%	70%	79%	97%
25	40%	56%	64%	79%
30	31%	44%	51%	63%
35	23%	34%	40%	50%
40	16%	25%	30%	38%
45	10%	17%	21%	28%

Alternate DC Plan 11% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	43%	59%	67%	82%
25	34%	47%	54%	67%
30	26%	37%	43%	54%
35	19%	29%	34%	42%
40	13%	21%	25%	32%
45	8%	15%	18%	24%

Note: Color coding indicates change in Replacement Ratio from current plan to DC alternative:

- Green indicates “winner” / increase in benefit
- Red indicates “loser” / decrease in benefit

Alternate DC Levels – Alternate Contribution Levels

Alternate DC Plan 15% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	71%	101%	117%	145%
25	54%	79%	91%	114%
30	41%	60%	70%	89%
35	29%	45%	53%	68%
40	20%	32%	39%	51%
45	12%	22%	27%	36%

**Replacement Ratios
Assume 7.00% Return on
Investments Each Year**

Alternate DC Plan 13% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	62%	88%	101%	126%
25	47%	68%	79%	99%
30	35%	52%	61%	77%
35	25%	39%	46%	59%
40	17%	28%	34%	44%
45	10%	19%	23%	31%

Alternate DC Plan 11% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	52%	74%	85%	106%
25	40%	58%	67%	84%
30	30%	44%	52%	65%
35	21%	33%	39%	50%
40	14%	24%	28%	37%
45	9%	16%	20%	27%

Note: Color coding indicates change in Replacement Ratio from current plan to DC alternative:

- Green indicates “winner” / increase in benefit
- Red indicates “loser” / decrease in benefit

Alternate DC Levels – Alternate Contribution Levels

Alternate DC Plan 15% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	87%	128%	150%	190%
25	64%	96%	113%	145%
30	47%	71%	84%	109%
35	32%	51%	61%	80%
40	21%	36%	44%	58%
45	12%	23%	29%	40%

**Replacement Ratios
Assume 8.00% Return on
Investments Each Year**

Alternate DC Plan 13% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	76%	111%	130%	165%
25	56%	83%	98%	125%
30	40%	62%	73%	94%
35	28%	45%	53%	70%
40	18%	31%	38%	50%
45	11%	20%	25%	35%

Alternate DC Plan 11% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	64%	94%	110%	139%
25	47%	71%	83%	106%
30	34%	52%	62%	80%
35	24%	38%	45%	59%
40	16%	26%	32%	43%
45	9%	17%	22%	30%

Note: Color coding indicates change in Replacement Ratio from current plan to DC alternative:

- Green indicates “winner” / increase in benefit
- Red indicates “loser” / decrease in benefit



Teachers' Retirement System of Louisiana



Alternate DC Levels – Alternate Contribution Levels

Alternate DC Plan 15.25% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	60%	82%	93%	113%
25	47%	66%	75%	92%
30	36%	52%	60%	74%
35	27%	40%	47%	59%
40	19%	29%	35%	45%
45	11%	20%	25%	33%

Replacement Ratios
Assume 6.00% Return on
Investments Each Year

Alternate DC Plan 13.25% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	52%	71%	81%	98%
25	41%	57%	65%	80%
30	31%	45%	52%	65%
35	23%	35%	40%	51%
40	16%	26%	30%	39%
45	10%	18%	22%	29%

Alternate DC Plan 11.25% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	44%	60%	69%	84%
25	35%	49%	56%	68%
30	27%	38%	44%	55%
35	20%	29%	34%	43%
40	14%	22%	26%	33%
45	8%	15%	18%	25%

Note: Color coding indicates change in Replacement Ratio from current plan to DC alternative:

- Green indicates “winner” / increase in benefit
- Red indicates “loser” / decrease in benefit

Alternate DC Levels – Alternate Contribution Levels

Alternate DC Plan 15.25% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	72%	103%	118%	147%
25	55%	80%	93%	116%
30	41%	61%	71%	90%
35	30%	46%	54%	69%
40	20%	33%	39%	51%
45	12%	22%	27%	37%

**Replacement Ratios
Assume 7.00% Return on
Investments Each Year**

Alternate DC Plan 13.25% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	63%	89%	103%	128%
25	48%	69%	81%	101%
30	36%	53%	62%	79%
35	26%	40%	47%	60%
40	17%	28%	34%	45%
45	10%	19%	24%	32%

Alternate DC Plan 11.25% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	53%	76%	87%	109%
25	41%	59%	68%	86%
30	30%	45%	53%	67%
35	22%	34%	40%	51%
40	15%	24%	29%	38%
45	9%	16%	20%	27%

Note: Color coding indicates change in Replacement Ratio from current plan to DC alternative:

- Green indicates “winner” / increase in benefit
- Red indicates “loser” / decrease in benefit

Alternate DC Levels – Alternate Contribution Levels

Alternate DC Plan 15.25% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	89%	130%	152%	193%
25	66%	98%	115%	147%
30	47%	72%	86%	111%
35	33%	52%	63%	82%
40	22%	36%	44%	59%
45	13%	24%	30%	41%

**Replacement Ratios
Assume 8.00% Return on
Investments Each Year**

Alternate DC Plan 13.25% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	77%	113%	132%	168%
25	57%	85%	100%	128%
30	41%	63%	74%	96%
35	29%	45%	54%	71%
40	19%	32%	38%	51%
45	11%	21%	26%	36%

Alternate DC Plan 11.25% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	65%	96%	112%	143%
25	48%	72%	85%	109%
30	35%	53%	63%	82%
35	24%	39%	46%	60%
40	16%	27%	33%	44%
45	9%	18%	22%	30%

Note: Color coding indicates change in Replacement Ratio from current plan to DC alternative:

- Green indicates “winner” / increase in benefit
- Red indicates “loser” / decrease in benefit



State Police Retirement System



Alternate DC Levels – Alternate Contribution Levels

Alternate DC Plan 24.5% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	96%	131%	149%	182%
25	75%	106%	121%	148%
30	58%	83%	96%	119%
35	43%	64%	75%	94%
40	30%	47%	56%	72%
45	18%	33%	40%	53%

Replacement Ratios
Assume 6.00% Return on
Investments Each Year

Alternate DC Plan 22.5% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	88%	121%	137%	167%
25	69%	97%	111%	136%
30	53%	77%	88%	110%
35	39%	59%	69%	86%
40	27%	43%	52%	66%
45	17%	30%	37%	49%

Alternate DC Plan 20.5% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	80%	110%	125%	152%
25	63%	88%	101%	124%
30	49%	70%	81%	100%
35	36%	54%	63%	79%
40	25%	40%	47%	61%
45	15%	27%	34%	45%

Note: Color coding indicates change in Replacement Ratio from current plan to DC alternative:

- Green indicates “winner” / increase in benefit
- Red indicates “loser” / decrease in benefit

Alternate DC Levels – Alternate Contribution Levels

Alternate DC Plan 24.5% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	116%	165%	190%	237%
25	89%	128%	149%	187%
30	66%	98%	115%	145%
35	48%	73%	87%	111%
40	32%	53%	63%	83%
45	19%	35%	44%	59%

**Replacement Ratios
Assume 7.00% Return on
Investments Each Year**

Alternate DC Plan 22.5% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	107%	152%	175%	217%
25	82%	118%	137%	171%
30	61%	90%	105%	133%
35	44%	67%	79%	102%
40	29%	48%	58%	76%
45	18%	33%	40%	55%

Alternate DC Plan 20.5% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	97%	138%	159%	198%
25	74%	107%	125%	156%
30	55%	82%	96%	121%
35	40%	61%	72%	93%
40	27%	44%	53%	69%
45	16%	30%	37%	50%

Note: Color coding indicates change in Replacement Ratio from current plan to DC alternative:

- Green indicates “winner” / increase in benefit
- Red indicates “loser” / decrease in benefit

Alternate DC Levels – Alternate Contribution Levels

Alternate DC Plan 24.5% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	142%	209%	245%	311%
25	105%	157%	185%	236%
30	76%	116%	138%	178%
35	53%	84%	100%	131%
40	35%	58%	71%	95%
45	20%	38%	48%	66%

**Replacement Ratios
Assume 8.00% Return on
Investments Each Year**

Alternate DC Plan 22.5% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	131%	192%	225%	285%
25	97%	144%	170%	217%
30	70%	107%	126%	163%
35	49%	77%	92%	121%
40	32%	54%	65%	87%
45	19%	35%	44%	61%

Alternate DC Plan 20.5% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	119%	175%	205%	260%
25	88%	132%	155%	198%
30	64%	97%	115%	149%
35	44%	70%	84%	110%
40	29%	49%	59%	79%
45	17%	32%	40%	55%

Note: Color coding indicates change in Replacement Ratio from current plan to DC alternative:

- Green indicates “winner” / increase in benefit
- Red indicates “loser” / decrease in benefit



Louisiana School Employees' Retirement System

Alternate DC Levels – Alternate Contribution Levels

Alternate DC Plan 25.25% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	99%	135%	154%	188%
25	78%	109%	125%	153%
30	60%	86%	99%	123%
35	44%	66%	77%	97%
40	31%	49%	58%	75%
45	19%	34%	41%	55%

Replacement Ratios
Assume 6.00% Return on
Investments Each Year

Alternate DC Plan 23.25% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	91%	125%	142%	173%
25	72%	100%	115%	141%
30	55%	79%	91%	113%
35	41%	61%	71%	89%
40	28%	45%	53%	69%
45	17%	31%	38%	51%

Alternate DC Plan 21.25% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	83%	114%	130%	158%
25	65%	92%	105%	129%
30	50%	72%	83%	104%
35	37%	56%	65%	82%
40	26%	41%	49%	63%
45	16%	28%	35%	46%

Note: Color coding indicates change in Replacement Ratio from current plan to DC alternative:

- Green indicates “winner” / increase in benefit
- Red indicates “loser” / decrease in benefit

Alternate DC Levels – Alternate Contribution Levels

Alternate DC Plan 25.25% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	120%	170%	196%	244%
25	92%	132%	154%	192%
30	68%	101%	118%	150%
35	49%	75%	89%	114%
40	33%	54%	65%	85%
45	20%	37%	45%	61%

**Replacement Ratios
Assume 7.00% Return on
Investments Each Year**

Alternate DC Plan 23.25% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	110%	157%	181%	224%
25	84%	122%	141%	177%
30	63%	93%	109%	138%
35	45%	69%	82%	105%
40	30%	50%	60%	78%
45	18%	34%	42%	56%

Alternate DC Plan 21.25% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	101%	143%	165%	205%
25	77%	111%	129%	162%
30	57%	85%	100%	126%
35	41%	63%	75%	96%
40	28%	46%	55%	72%
45	17%	31%	38%	51%

Note: Color coding indicates change in Replacement Ratio from current plan to DC alternative:

- Green indicates “winner” / increase in benefit
- Red indicates “loser” / decrease in benefit

Alternate DC Levels – Alternate Contribution Levels

Alternate DC Plan 25.25% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	147%	216%	252%	320%
25	108%	162%	190%	244%
30	78%	120%	142%	183%
35	55%	86%	104%	135%
40	36%	60%	73%	98%
45	21%	39%	49%	68%

**Replacement Ratios
Assume 8.00% Return on
Investments Each Year**

Alternate DC Plan 23.25% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	135%	198%	232%	295%
25	100%	149%	175%	224%
30	72%	110%	131%	169%
35	50%	80%	95%	125%
40	33%	55%	67%	90%
45	19%	36%	45%	63%

Alternate DC Plan 21.25% Contribution Level

Age at Hire	Age at Retirement			
	55	60	62	65
20	123%	181%	212%	269%
25	91%	136%	160%	205%
30	66%	101%	119%	154%
35	46%	73%	87%	114%
40	30%	51%	62%	82%
45	18%	33%	42%	57%

Note: Color coding indicates change in Replacement Ratio from current plan to DC alternative:

- Green indicates “winner” / increase in benefit
- Red indicates “loser” / decrease in benefit