

Louisiana Sheriffs' Pension & Relief Fund

1225 Nicholson Drive • Baton Rouge, Louisiana 70802
Phone: (225) 219-0500 • (800) 586-9049 • FAX: (225) 219-0521
www.lsprf.com



Current Investment Market Conditions

Members' Guarantee of Pension Benefits



We understand the concerns the current investment market conditions may cause our members. In order to reassure members that the retirement benefits you have earned are not threatened by downturns in the investment markets, our legal counsel has prepared the accompanying statement explaining the guarantee of your benefits. In this statement, Mr. Klausner explains the constitutional provisions of Louisiana law guaranteeing your benefits, along with an explanation of the actuarial funding provisions of law enacted to ensure that your benefit is always protected.

We are fortunate that our pension fund is a defined benefit plan offering a lifetime benefit based on a formula using years of service, age and final average salary to determine the amount of the benefit. Typically, vested members draw many times more in retirement benefits than contributions they have paid into the Fund. While we rely on investment earnings for overall funding of the system, Louisiana law also provides other sources of income for the Fund. In addition, shortfalls in funding created by fluctuations in investment markets are insured by the employer contributions to the Fund mandated by law. Many people employed in business and industries do not enjoy the type of guaranteed benefit in retirement that our members enjoy, and must rely on savings and investment earnings in a defined contribution plan that does not provide assurance of a lifetime benefit.

In order to provide the great level of benefits your pension fund provides for members, and to maintain required employer contribution rates at levels that are affordable for our sheriffs, it is necessary that we use the investment markets and assume a level of market risk. Our highly diversified investment portfolio is designed to help us attain our targeted funding levels and withstand market fluctuations over time. It is important that we maintain a long-term investment outlook, understanding that we will enjoy favorable and unfavorable market conditions over time.

In times of unfavorable market conditions it is critical that we stay the course, as recommended by our highly professional consultants, in order to stay positioned to take advantage of recoveries and rebounds that will come from a return to more favorable market conditions. Again, our pension fund is designed to withstand the fluctuations of the investment markets over the long-term, and take advantage of market opportunities during favorable markets.

Our goal is to work hard to provide protection and assurances for our active members so you can do the dedicated work you do without concerns over your retirement, and for retirees to enjoy the benefits you have earned in retirement. Please be assured that our Board of Trustees and staff are very dedicated to that commitment.

For further information, please refer to the following statement from our legal counsel. As always, please call us if we can be of assistance at any time.



Klausner Kaufman
PROFESSIONAL ASSOCIATION
ATTORNEYS AT LAW

Writer's e-mail: bob@robertdklausner.com

October 7, 2008

To: Osey "Skip" McGee, Jr.
Executive Director

From: Robert D. Klausner, Esquire

Re: Guarantee of Benefits

File No. 920230

RECEIVED

OCT 8 2008

SHERIFFS PENSION FUND
BATON ROUGE

This is in response to your inquiry concerning the guaranteed nature of retirement benefits of members of the Louisiana Sheriffs Pension and Relief Fund. For the reasons which follow, member benefits are constitutionally protected against diminution, reduction or loss.

Article X, Section 29 of the Louisiana Constitution recognizes an enforceable contract right between member and beneficiaries of a public retirement plan and the sponsors of that system. Section 29 (E)(5)(a) expressly states as follows:

The accrued benefits of members of any state or statewide public retirement system shall not be diminished or impaired.

In addition, the Constitution and the applicable provisions of Title 11, Louisiana Revised Statutes, mandate sound actuarial funding. This means the system must be funded in a fashion that will permit the timely payment of all accrued benefits.

The LSPRF is funded from a variety of sources: member contributions, employer contributions, state insurance premium taxes, state revenue sharing; dedicated ad valorem taxes, and investment earnings. If investment income is less than expected, employer contributions rise to meet the financial needs of the Plan. The defined benefit nature of the Plan means that member benefits are guaranteed, without regard to market fluctuations. This has been reinforced on several occasions by Louisiana courts.

10059 NORTHWEST 1ST COURT, PLANTATION, FLORIDA 33324

PHONE: (954) 916-1202 • FAX: (954) 916-1232
www.robertdklausner.com



October 7, 2008

Page 2

The current economic downturn does not impair the actuarial soundness of the LSPRF or the Fund's ability to pay benefits to members. It does not diminish the rights of members to expect the timely and full payment of all benefit. The constitutional and statutory structure in Louisiana assures the economic welfare of the Fund and the security of the pension right of its members and beneficiaries.

Louisiana's statewide plans, especially the LSPRF, are funded on a sound actuarial basis, are constitutionally guaranteed, and are professionally managed according to sound investment and fiduciary standards. Again, the members may rely on the constitutional guarantee for the timely receipt of all benefits, now and in the future.

I trust the foregoing has answered your inquiry.

RECEIVED

OCT 08 2008

SHERIFFS PENSION FUND
BATON ROUGE