

DROP/ILSB Interest Rates:

Members eligible for DROP/ILSB **before** January 1, 2004

Members eligible to enter DROP before January 1, 2004, earn interest computed annually based on the system's actuarially realized rate of return less 0.5-percent administrative fee.

Act 962 of the 2003 Regular Session of the Louisiana Legislature established a different method of calculating interest earnings for DROP accounts of members **who became eligible for DROP on or after January 1, 2004**. Those members should refer to the *fast facts* sheet titled "DROP/ILSB Interest Rates: Members eligible for DROP/ILSB on or after January 1, 2004."

To help you make a more informed decision about withdrawing from your DROP/ILSB account, you may want to know about the interest rates DROP/ILSB accounts have earned since the program began. Interest rates that have been posted to those accounts are as follows:

Fiscal Year Ended June 30	TRSL Actuarially Realized Rate of Return	DROP Interest Rate
1993	12.48%	11.98%
1994	9.20%	8.70%
1995	5.72%	5.22%
1996	17.09%	16.59%
1997	12.82%	12.32%
1998	20.78%	20.28%
1999	13.99%	13.49%
2000	17.63%	17.13%
2001	0.05%	0.00%*
2002	-5.84%	0.00%*
2003	-5.55%	0.00%*
2004	9.85%	9.35%
2005	9.87%	9.37%
2006	15.65%	15.15%
2007	15.20%	14.70%
2008	5.15%	4.65%
2009	-12.31%	0.00%*

* An attorney general opinion ruled that DROP accounts could not be debited, so account interest rates were set to zero.

Interest is posted to your DROP/ILSB account once a year. It's usually posted in the first quarter of the calendar year following the end of the fiscal year for which the interest was earned. For example, interest earned on account balances for the 2007-08 fiscal year (July 1, 2007, through June 30, 2008) is posted in the first quarter (January–March) of 2009. You don't lose interest because of the delayed posting.

TRSL does not guarantee any rate of interest earned on your DROP/ILSB account.