

Quarterly newsletter of the
Louisiana State Employees' Retirement System

"From the Director's Chair" by James Wood

50th Anniversary is anticipated; Agency fiduciary duty explained



On Thursday, July 18, 1996, we will celebrate LASERS' 50th Anniversary. A special celebration will be held at LASERS' offices in the Retirement Systems Building from 10 a.m. to 2 p.m. Additional details can be found in the story below.

As a historical point of interest, in 1946 LASERS paid a total of \$1,011 in benefits to twelve (12) retirees in our first monthly payout.

In 1996, total monthly benefit payments average \$27,500,000 for 27,300 retirees. Quite a substantial difference in this 50-year period. Please come see other substantial changes in LASERS during our open house for the 50th anniversary celebration.

I would also like to congratulate Mr. Charles Hall, LASERS' System Actuary, for the recent national recognition he received as creator of the DROP Program. The International Foundation of Employee Benefit Plans featured our DROP program in their June edition of *Employees Benefits Digest*. This edition covered six innovative benefit programs making substantial contributions to the employee benefits field. Charles is a tireless worker on LASERS' behalf and is just now getting the national recognition he has long deserved.

Lastly, I would like to address a topic that plan participants and retirees have heard mentioned many times before. The

topic is fiduciary duty. LASERS Trustees and certain staff members by law have a fiduciary duty to LASERS plan members and beneficiaries. Most discussions of this topic quote provisions from Trust law, the Internal Revenue Code, and the Louisiana Revised Statutes. This information is complex and difficult for plan members to remember. Consequently, I want our readers to have a simple way to remember what fiduciary duties are and how they control actions of LASERS' Trustees and certain staff members.


The easiest way to remember fiduciary duties is to think of them as a set

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Eligible retirees To receive COLA Beginning July 1

Members of LASERS who were retired one year as of June 30, 1995, will receive a cost-of-living (COLA) increase beginning with their July 1, 1996, benefit check.

The COLA will be paid on the basis of \$1 for every year retired, \$.50 for every year of active service, and \$1 for every year of active service over 30 years.

Payment of the COLA will utilize most of the \$61 million balance in LASERS Experience Account. The Experience Account was designed to pay a COLA every four to five years. 

50th anniversary Open House set July 18; Features plaque dedication, tours, displays

Fifty years of service by LASERS to thousands of state employees and retirees will be celebrated at an Open House scheduled Thursday, July 18, 1996, in the Atrium of the Retirement System Building, 8401 United Plaza Blvd., Baton Rouge.

On July 15, 1946, Governor Jimmie H. Davis signed into law the act which created LASERS. The following January, a Board was appointed which included C.C. Smith as Chairman and Trustees James O. Dolby, P.A. Frye, N.P. Himbert, W.L. Ward, Sr., C.J. Winters, Bonnie V. Baker, with Homer R. Robinson appointed Executive Secretary.

To mark the creation of LASERS, important to the financial security of many generations of Louisiana state government retirees, Governor M.J. "Mike" Foster, Jr., has been invited to join with former Governor Davis to dedicate a bronze plaque commemorating the occasion.

The 50th Anniversary celebration opens with a Breakfast Reception beginning at 9 a.m. on July 18 in the first floor Executive Conference Room, hosted by current Trustees to honor all former LASERS Trustees, their spouses and

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Anniversary anticipated; Fiduciary duty explained

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of blinders. Blinders are worn by race horses. Blinders keep race horses from being distracted by noise and movement as they head for the finish line. Fiduciary duties are blinders that help Trustees and staff concentrate on performing their duties solely in the interest of plan members and beneficiaries.

Fiduciary duties require each decision or expenditure of funds be evaluated whether it is being done solely in the interest of plan members and beneficiaries. Plan members and beneficiaries must also be considered as a whole, with no special consideration given to any single individual or group. Consequently, fiduciary duties give Trustees and staff a long list of things they can not consider when making decisions or expending funds.

LASERS Trustees and staff cannot consider anything that might benefit themselves, their families, friends, service providers, or groups of taxpayers other than plan members or beneficiaries.

The simplest way to remember this is: "Anything not solely in the best interest of plan members and beneficiaries, is prohibited."

This is not an easy duty for fiduciaries to fulfill and sometimes requires they take unpopular stands in difficult situations. Fiduciaries who think first about their duty to plan members and beneficiaries are those who can best represent and protect your interest. ☀

Magazine features PREP

Establishment of a preretirement education program (PREP) was the topic of a four page spread in the May, 1996, *Pension Management* magazine.

Written by Kim Delrie and Paula Rhodes of the LASERS' Communications Division, the article is titled, "PREP your employees for retirement." The article chronicles LASERS' success with this educational program. It also outlines the planning and implementation process for those retirement systems interested in establishing a PREP. ☀

PREP seminar schedule listed

The first half of 1996 has proven to be very successful for LASERS Pre-Retirement Education Program (PREP). According to Kim Delrie, PREP Coordinator, approximately 1,100 active employees attended two-day seminars at various locations across Louisiana.

During the second half of 1996, LASERS will expand the scope of the program. The number of seminars will increase from two to three per month.

An estimated 1,500 to 1,700 additional state employees will attend a PREP seminar before the end of this year.

The PREP phone line, (504) 922-0670,

is available for seminar inquiries or cancellations.

Phone calls are returned as quickly as possible, usually within two working days. The PREP field staff responsible for returning calls also travels throughout the state conducting the seminars, so your patience is appreciated.

If you fax a PREP application, it is NOT necessary to also mail a copy. Confirmations are sent to participants two weeks prior to each seminar. You are placed in the next available seminar on your preference list if your first choice is not available. ☀

PREP Schedule for July - December, 1996

07/02&07/03/96	Baton Rouge(class full) Best Western/Richmond Suites, Hilton Avenue	10/02&10/03/96	Thibodaux Howard Johnson N. Canal Blvd.
07/10&07/11/96	New Orleans(class full) Holiday Inn I-10/Causeway S exit	10/14&10/15/96	Hammond Holiday Inn 2000 S. Morrison
07/16&07/17/96	Lafayette Holiday Inn 2716 NE Evangeline	11/06&11/07/96	Shreveport Holiday Inn Holidome 5555 Financial Plaza
08/07&08/08/96	Alexandria Ramada Inn 2211 N. MacArthur	11/13&11/14/96	New Orleans Holiday Inn I-10/Causeway S exit
08/20&08/21/96	Baton Rouge(class full) Best Western/Richmond Suites, Hilton Avenue	11/18&11/19/96	Baton Rouge Best Western/Richmond Suites, Hilton Avenue
08/28&08/29/96	New Orleans(class full) Holiday Inn I-10 & Causeway S exit	12/04&12/05/96	New Orleans Holiday Inn I-10/Causeway S exit
09/04&09/05/96	Baton Rouge(class full) Best Western/Richmond Suites, Hilton Avenue	12/11&12/12/96	Hammond Holiday Inn 2000 S. Morrison
09/18&09/19/96	Lake Charles Holiday Inn N. Lakeshore	12/18&12/19/96	Baton Rouge Best Western/Richmond Suites, Hilton Avenue
09/25&09/26/96	Monroe Holiday Inn 2001 Louisville		

LASERS to implement new numbering system for agency forms

In response to the requirements of the new method of handling documents, to be implemented next year, LASERS is beginning the process of renumbering all agency forms. For example, the *Application for*

Retirement, now an ER-4, will become a BER4. The prefix letter indicates the LASERS' division (Benefits) where the form originates, with remaining numbers the same, without spaces or dashes. ☀

Anniversary celebration is July 18

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Open House Schedule of Events

- 9:00 a.m. -- Trustee Breakfast (for current and past Trustees, their spouses (including deceased Trustees' spouses)
- 10:00 a.m. -- LASERS Open House with Building Tours, Historic Displays, Viewing Video
- 10:30 a.m. -- Governors Jimmie Davis and Mike Foster (invited) Dedicate the 50th Anniversary Commemorative Plaque
- 11:00 a.m. -- Open House continues (displays, tours, video)
- 2:00 p.m. -- Celebration concludes

LASER FAQs

(Frequently Asked Questions)

Question: Is there a pending incentive retirement bill?

Answer: No. We have received many calls about a rumor which has circulated statewide concerning this topic. There were no incentive retirement bills introduced during the 1996 Legislative session. In fact, such a bill could not have been a part of this session, as it was limited by law to fiscal matters only.

However, since such retirement bills are expensive and with the Medicaid funding issues and the uncertainty of future gambling revenue (local option elections are slated for later this year), any special incentive bills would certainly face significant resistance. ☀

Address change form included for retirees to notify LASERS

Attached to the Retirees LASERS' BEAM is a *Change of Address Authorization* form. This form should be used when retirees notify this agency about a change in their mailing address.

Make copies of the blank form. When you move, complete a copy and send it to the LASERS' Benefits Division at the mailing address on top of the form.

This is extremely important, since many retirees have their benefit checks mailed to their home. Keeping your address current with LASERS' assures that your check is mailed to the correct location and that you receive other important informational material from this agency.

You should also notify LASERS if your address changes in response to the U.S. Postal Service efforts to standardize street names and numbers. This may also apply to those parishes and/or cities with the 911 emergency services system.

NOTE TO ACTIVE EMPLOYEES:

Your LASERS' BEAM will **not** have the *Change of Address Authorization* attached. At such time LASERS begins mailing materials directly to the active employee membership, this form will be made available to you. ☀

Calling all former Trustees!



All former Trustees, their spouses (and spouses of deceased Trustees) are invited to a Reception Breakfast hosted by current members of the LASERS' Board.

It is scheduled from 9 to 10 a.m., July 18 in the First Floor Executive Conference Room, Retirement System Building.

We are sending invitations to those we can locate, but we wanted to assure that all former Trustees know they are invited to this function, in case an invitation does not reach someone.

spouses of deceased Trustees.

From 10 a.m. to 2 p.m., retirees, active employees, and their guests are invited to mingle with current and former Trustees, along with LASERS' staff; see the Building on informal guided tours; view displays of historic materials; watch the LASERS video; and enjoy refreshments.

At 10:30 a.m., Governors Davis and Foster will dedicate the 50th anniversary plaque in the Atrium.

Retired and/or former employees of LASERS are also especially invited to attend the dedication and Open House. The event is free and open to all LASERS members and their families. ☀

Retirees can deduct insurance, credit union payments

Below is a list of insurance companies and credit unions which are approved for

LASERS' benefit payroll deduction as of June, 1996:

Insurance Companies

AFLAC	Columbia
Group Benefits	DOTD
New York Life	LSU AD&D
Life Investors/Long Term Care	Dept. of Labor
Colonial	DINA Dental

Credit Unions

LA Capital Federal
LA State
LA DOTD
Pelican State
Dept. of Corrections

All LASERS' members have the option of continuing their current deduction

for these companies on their monthly benefit checks when they retire. ☀

Retirement estimate request form (ER-34/BER34) available for members

Have you ever wanted to request an estimate of retirement benefits, but didn't know what kind of information to include in a letter?

Requesting an estimate is now fast and simple with LASERS' *Request for Retirement Estimate* form (ER-34/BER34).

Completing this form enables LASERS to provide an estimate of retirement benefits that fits your needs. It also assures that LASERS has all information neces-

sary to calculate an accurate estimate. You may obtain an ER-34/BER34 form from your agency's human resource office or call the LASERS' Benefits Division.

With the Benefits Division's current high volume workload, return of completed estimates will take at least 8 to 10 weeks after the request is received.

Individuals nearing retirement should be especially careful to allow sufficient time to obtain their estimate. ☀

When a LASERS member dies

LASERS must be notified of the deaths of members and beneficiaries. Notification to Group Benefits is not automatically provided to LASERS.

- 1) Inform your beneficiary, now, of the benefits due at your death.
- 2) Keep a copy of your Membership Handbook with your important personal documents.
- 3) Talk to your beneficiary about the steps he/she needs to take after your death.
- 4) Active members should make sure the designated beneficiary information is correctly filed with LASERS.
- 5) Update your home address on your agency records.

Here are a few easy steps to help your family in their time of sorrow.

For Active Members:

- 1) The surviving spouse or a family member should contact the member's agency (place of employment) as soon as possible.
- 2) The surviving spouse or beneficiary must complete an Application for Survivor Benefits. The agency's Human Resource office has the application. The agency must certify the application, then will send the application to LASERS Benefits Division.

A copy of the social security card and birth certificate for the surviving spouse and each surviving child must be attached to the application. Also, it is extremely important to include a copy of the

member's death certificate.


3) LASERS will notify the family, in writing, of the benefits due and if there is additional information needed.

For Retirees:

- 1) The beneficiary or family member should immediately contact LASERS' Benefits Division by telephone. LASERS requires the caller to give the retiree's social security number and date of death.
- 2) LASERS will send a letter notifying the beneficiary of the benefits due. At this time, LASERS will request a copy of the retiree's death certificate, a beneficiary signature card, a copy of the beneficiary's social security card and birth certificate.
- 3) If a benefit is due, the beneficiary should receive the first payment approximately 2 to 3 months after their initial call.
- 4) Since benefits are paid a month in advance, if the death occurs during the month, the check for the month after the death should be return to LASERS.

Contact LASERS' Benefits Division for additional information on this topic. ☀

Benefits Check Mailing Schedule

	Check for:	Mail Date:
	July	June 28
	Aug.	July 31
	Sept.	Aug. 30

LASERS

BOARD OF TRUSTEES

Frank Jobert, Jr., 1996 Chairman
504-436-4253, Ext. 276

Cynthia Bridges
504-925-7335 or Linc 8-427-7335

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504-835-8482

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