

**The LASERS Vision:**

Confidence in our service,  
assuring financial security  
for your future

**LASERS Board of Trustees:**

**Connie Carlton,**  
2012 Board Chair  
225.928.4265

**Thomas Bickham**  
225.342.6630

**Beverly Hodges**  
225.379.1615

**Judge William Kleinpeter**  
225.749.5588

**Janice Lansing**  
225.342.4698

**Barbara McManus**  
337.433.8910

**Lori Pierce**  
225.342.7012

**Kathy Singleton**  
225.222.6567

**Shannon Templet**  
225.342.8273

**Senator Elbert Guillory**  
225.342.2040

**Hon. John Kennedy,**  
State Treasurer  
225.342.0010

**Rep. Kevin Pearson**  
985.646.6487



From the Desk of  
**Cindy Rougeou**

LASERS Executive Director

March 12 is a significant date for LASERS because it signaled the beginning of the 2012 Legislative Session. For LASERS members, this particular session is probably one of the most important in the history of the system. The impact of the proposed retirement legislation, if passed in all or in part, could have far-reaching consequences for members.

We have received countless questions from both actives and retirees, members of the media, legislators, and state agencies requesting LASERS perspective on the proposed legislation. As such, the LASERS Board and staff have worked diligently to prepare information addressing members' retirement concerns, fact sheets, and scenarios for the media and legislature with real-life implications, and presented an educational forum for human resource staff. All of this information is available on the LASERS website for your review. In addition, I have traveled the state as part of the RSEA tour, sharing my knowledge of the proposed retirement legislation with those attending chapter meetings.

The bills of most concern, and ones the LASERS Board of Trustees

opposes, among others, are HB 53 and SB 51. These bills propose to change, virtually overnight, the retirement eligibility age for current active members to 67. In addition to the Constitutional issues raised, our Board and members have expressed great concern that these bills would break promises made to existing employees at their expense. These bills target rank-and-file employees, who stand to suffer a severe reduction in benefits, in some cases by as much as 75 percent. With an average rank-and-file retiree benefit of \$21,735 per year, and no Social Security, our current defined benefit plan is the only retirement security offered to our members.

HB 56 and SB 52 would increase employee contributions by three percent for LASERS members. If passed, this bill would constitute, for many active members, a 40 percent increase in the member's contribution rate. The funds generated from this increase would not be used to reduce the debt owed to the system, but would be used to supplement the State General Fund. Furthermore, the proceeds do not provide any benefit to the employees paying the increase. Last year, the Speaker of the House of Representatives declared such a proposal a payroll tax.

HB 55 and SB 47 would apply a five year final average compensation (FAC) period and 15 percent

**Rougeou** continued on page 7

# 2012 Legislative Bills

The following bills have been filed for the 2012 Regular Session of the Louisiana Legislature and would impact LASERS. The position taken by the LASERS Board of Trustees based on the initial language of the bills is noted below. Their status will be updated on the LASERS website as the session progresses.

Key for positions taken: *N* = Neutral | *NP* = No Position | *O* = Oppose | *S* = Support

## **HB 5 -Pearson, SB 2-E. Guillory** *Position Taken: O*

### **Systems Impacted: State & Statewide**

Provides that designated legislative staff may attend executive sessions of meetings of state and statewide retirement system boards and committees.

## **HB 9-Ligi** *Position Taken: O*

### **Systems Impacted: State & Statewide**

(Constitutional Amendment) Allows for forfeiture of public retirement benefits by officials and employees who are convicted of felony acts associated with their positions.

## **HB 10-Ligi** *Position Taken: O*

### **Systems Impacted: State & Statewide**

Provides for forfeiture of public retirement benefits by officials and employees who are convicted of felony acts associated with their positions.

## **HB 13-Talbot** *Position Taken: N*

### **Systems Impacted: State & Statewide**

Provides that part-time public officials shall not receive service credit in any public retirement system for service after December 31, 2012.

## **HB 14-Talbot** *Position Taken: N*

### **Systems Impacted: State & Statewide**

Provides that members who retire on or after July 1, 2012, and return to state service in a position making them eligible for any state or statewide retirement system shall have benefits suspended and shall not earn service credit or supplemental benefits.

## **HB 21-Talbot** *Position Taken: N*

### **Systems Impacted: State & Statewide**

(Constitutional Amendment) Provides that part-time public officials shall not receive service credit in any public retirement system for service after December 31, 2012.

## **HB 22-Montoucet** *Position Taken: O*

### **Systems Impacted: LASERS**

Provides for additional and retroactive retirement benefits for adult probation and parole officers employed on or before December 31, 2001.

## **HB 33-Brossett** *Position Taken: O*

### **Systems Impacted: LASERS & Harbor Police**

Provides that the Harbor Police Retirement System may merge into the LASERS Hazardous Duty Plan if approved by the LASERS board, the Port of New Orleans, and the Harbor Police Retirement System.

## **HB 38-S. Jones** *Position Taken: O*

### **Systems Impacted: State & Statewide**

Requires retirement systems to notify each other when retirees with a reciprocal agreement return to work, so that retirement benefits can be stopped.

## **HB 42-Champagne** *Position Taken: O*

### **Systems Impacted: State & Statewide**

(Constitutional Amendment) Allows for forfeiture of public retirement benefits by officials and employees who are convicted of felony acts associated with their positions.

## **HB 43-Champagne** *Position Taken: O*

### **Systems Impacted: State & Statewide**

Provides for forfeiture of public retirement benefits by officials and employees who are convicted of felony acts associated with their positions.

## **HB 45-Connick** *Position Taken: N*

### **Systems Impacted: LASERS**

Technical revisions regarding the transfer of the Crescent City Connection police to the Department of Public Safety & Corrections. (Contingent upon the transfer of the police from DOTD to Public Safety in HB 44.)

## **HB 46-Pearson** *Position Taken: S*

### **Systems Impacted: State & Statewide**

Provides that the Official Journal of the State shall include the Internet website or portal of the Official Journal of the State and the official Internet website or portal of the Louisiana Legislature.

**HB 53-Pearson, SB 51-E. Guillory** *Position Taken: O*  
**Systems Impacted: LASERS & higher ed of TRSL**  
 Increases the minimum retirement eligibility of rank-and-file employees and judges elected after July 1, 2012, to the higher of age 67 or the highest retirement age provided by the Social Security Act. Members may retire under the current retirement eligibilities, but their benefit will be actuarially reduced.

**HB 54-Pearson, SB 48-E. Guillory** *Position Taken: N*  
**Systems Impacted: LASERS, TRSL, LSERS**  
 Adds the Commissioner of Administration to the LASERS Board.

**HB 55-Pearson, SB 47-E. Guillory** *Position Taken: O*  
**Systems Impacted: LASERS & higher ed of TRSL**  
 Provides for a 60-month FAC and applies a 15 percent anti-spiking rule for all non-hazardous duty LASERS members.

**HB 56-Pearson, SB 52-E. Guillory** *Position Taken: O*  
**Systems Impacted: LASERS & higher ed of TRSL**  
 Increases the employee contribution rates for all non-hazardous duty LASERS members by three percent.

**HB 59-Pearson** *Position Taken: S*  
**Systems Impacted: LASERS & State Police**  
 Provides that amortization payments to LASERS be made in a lump sum as soon as practicable after July 1. The employer contribution rate shall be reduced to reflect the direct amortization payments.

**HB 61-Pearson, SB 53-E. Guillory** *Position Taken: NP*  
**Systems Impacted: LASERS, LSERS, & higher ed of TRSL**  
 Provides for a cash balance plan for non-hazardous duty members whose first employment making them eligible for membership in a state system occurs on or after January 1, 2013. Membership in the cash balance plan is optional for all current non-hazardous duty members.

**SB 13-E. Guillory** *Position Taken: S*  
**Systems Impacted: LASERS & TRSL**  
 Changes the LASERS actuarial funding method from projected unit credit to entry age normal.

**SB 16-Cortez** *Position Taken: S*  
**Systems Impacted: State, Statewide & Harbor Police**  
 Provides for increases in the educational requirements for LASERS Board of Trustees, as follows: Actuarial Science four hours (up from two), Laws, Rules, & Regulations two hours (up from one), and Fiduciary Duty/Ethics two hours (up from one).

**SB 17-Peacock** *Position Taken: O*  
**Systems Impacted: State**  
 (Constitutional Amendment) Allows for a defined contribution plan for members whose first employment making them eligible for membership in a state system occurs on or after January 1, 2013.

**SB 21-E. Guillory** *Position Taken: S*  
**Systems Impacted: State & Statewide**  
 (Constitutional Amendment) Provides that all retirement bills be prefiled on the 45th calendar day prior to the first day of a regular session and that public notice of retirement bills shall be published at least 60 days prior to introduction.

**SB 23-E. Guillory** *Position Taken: N*  
**Systems Impacted: LASERS**  
 Provides that 50 percent of the prior year's net investment experience gain shall be applied to the experience account. Permanent benefit increases may be paid by the system even if the system fails to exceed the system's actuarial rate of return and the system is less than 80 percent funded.

**SB 25-E. Guillory** *Position Taken: O*  
**Systems Impacted: State**  
 Provides for an additional two percent employee contribution for LASERS members beginning January 1, 2013, to fund permanent benefit increases.

**SB 26-Peacock** *Position Taken: O*  
**Systems Impacted: LASERS & higher ed of TRSL**  
 Provides for a defined contribution plan for non-hazardous duty employees who are first employed or reemployed on or after January 1, 2013.

**SB 27-Cortez** *Position Taken: NP*  
**Systems Impacted: LASERS**  
 Makes technical changes in retirement statutes.

**SB 33-E. Guillory** *Position Taken: S*  
**Systems Impacted: LASERS, TRSL, LSERS, MERS, Firefighters**  
 Provides that employers shall continue to make employer contributions on employees in DROP.

**SB 39-Alario** *Position Taken: N*  
**Systems Impacted: LASERS**  
 Adds the Lafitte Area Independent Levee District to LASERS.



## Legislative Bills

continued from page 3

### SB 41-E. Guillory *Position Taken: N*

#### Systems Impacted: LASERS

Provides for a minimum benefit increase for retirees with 30 or more years of service credit who are at least age 60, have been retired for 15 years or more, and receive a monthly benefit of less than \$1,200.00 as of June 30, 2010, provided the member did not participate in DROP or IBO.

### SB 42-Cortez *Position Taken: O*

#### Systems Impacted: State

Provides for a 60-month FAC and applies a 15 percent anti-spiking rule for all LASERS members. Uses the "savings" created by the change in FAC to pay the "2009 Change in Liability" amortization base.

### SB 54-E. Guillory *Position Taken: S*

#### Systems Impacted: LASERS

Changes the LASERS actuarial funding method from projected unit credit to entry age normal. This will decrease the required employer contribution rate to the system. Although it lowers the required contribution rate, the actual employer contribution rate will be set closer to the projected unit credit rate. The additional contributions will be applied to the unfunded accrued liability (UAL).

### SB 55-E. Guillory *Position Taken: S*

#### Systems Impacted: LASERS

Changes the LASERS actuarial funding method from projected unit credit to entry age normal. This will decrease the required employer contribution rate to the system. Although it lowers the required contribution rate, the actual employer contribution rate will be set closer to the projected unit credit rate, in an amount specified in the statute. The additional contributions will be applied to the UAL.

# Follow the Legislative Session **2012** with LASERS

Keeping up with the retirement legislation can be done in many ways. The LASERS website, broadcast email system, and social media sites will be valuable tools to help you track the legislative bills, meeting notices, and news articles.

## LASERS Website

[www.lasersonline.org/Legislation2012](http://www.lasersonline.org/Legislation2012)



Resources available:

- Just the Facts
- Age 67 Scenarios
- The Newsroom
- FAQs
- LASERS Videos

## Facebook

[facebook.com/lasersonline.org](https://facebook.com/lasersonline.org)



Sign up for updates on Facebook. Follow the above address to the LASERS Facebook page and click "like."

## LASERS Weblog

[laserbeam.blogspot.com](http://laserbeam.blogspot.com)



Subscribe for blog updates via email by entering your email address on the right side of the eBeam homepage.

## Twitter

[twitter.com/lasersonline](https://twitter.com/lasersonline)



Sign up for updates on Twitter. Follow the above address to the LASERS Twitter page and click "follow."

# The Board MEMO

Connie Carlton, 2012 Board Chair



As I begin my second consecutive term as board chair, I wish to express my gratitude to the LASERS Board of Trustees for electing me once again. I am also pleased to report that Barbara McManus was

re-elected to a second term as Vice-Chair. At our February meeting, the Board appointed Judge William Kleinpeter as an active member Trustee, replacing Sheryl Ranatza who resigned in January. Judge Kleinpeter has served as City Court Judge of Port Allen for 21 years. In addition, Senator Elbert Guillory has joined the LASERS Board as an ex officio member, currently serving as the Chair of the Senate Retirement Committee. We welcome both Judge Kleinpeter and Senator Guillory to the Board and thank Sheryl Ranatza for her service.

At our January meeting, the Board renewed and expanded a resolution directing the LASERS executive staff to intensify its effort to address the following critical issues facing the System and its members: identification and implementation of a legislatively enacted mechanism for the funding and granting of an annual cost-of-living adjustment for eligible system retirees in a reliable

and dependable manner; preservation of the defined benefit plan for current and future LASERS members; preservation of Board autonomy as well as its primary composition of elected active and retired system members; and continuing to oppose mandatory social security participation, while seeking the reduction or elimination of the federal offsets, the Windfall Elimination Provision and the Government Pension Offset. These issues are especially significant because of the proposed pension bills in this legislative session.

It was my pleasure to be a part of the annual Retired State Employees Association (RSEA) chapter tour around the state. Retiree and active members came to the meetings in record numbers; many for reassurance about the proposed changes to the retirement system. Cindy Rougeou and Maris LeBlanc presented valuable information and encouraged those attending to track bills by visiting the LASERS website continuously throughout the session.

For me, serving our members and retirees while maintaining the integrity of the System is the most important aspect of the LASERS mission. As a Board, we will continue to meet the challenges ahead, with the protection of the System and its members foremost in mind.



## LASERS Member Connection

LASERS Member Connection email service is your trusted source for personal and direct

communications impacting your retirement. Emails will include topics such as retirement legislation, issues affecting benefits, notifications with links to important, time-sensitive information, electronic publications such as *The Beam*, and advance registration opportunities for LASERS seminars and meetings.

As a LASERS member, you may enroll in Member Connection by logging in on the [LASERS Self-Service](#) page, and adding or updating your account email addresses. Please add LASERS to your Address Book to ensure Member Connection emails pass through spam filters.

LASERS members may unsubscribe from the service at any time.

**RSEA** is not just for retirees!



RSEA encourages active LASERS members to join and support. Find out how you can participate by visiting the RSEA website at [www.rseala.com](http://www.rseala.com) for more information.



### State Classified Employees Do Have Rights to Address Members of the Legislature

LOUISIANA DEPARTMENT OF STATE  
**CIVIL SERVICE**

For the do's and don'ts, read the Civil Service General Circular #2012-004 at [www.tinyurl.com/6traquz](http://www.tinyurl.com/6traquz)



**Employee of the 4<sup>th</sup> Quarter, 2011** **Demetria McKinsey**

Although relatively new to LASERS, Demetria performs her job as Legal's only administrative assistant like a veteran employee. She has adapted well to her new environment and has already made significant improvements to the division. Demetria took on the responsibility of imaging, tracking, and monitoring contracts. She also automated the opinion and public record request process. Opinion and public records requests are streamlined and accessible online. Demetria took over Legal's workbasket and eliminated the backlog of work, all while assisting the attorneys with their workbaskets.

Demetria is hard-working, dependable, and a pleasure to be around. She is professional and courteous. She needs very little instruction and thinks independently. The Legal Division is already more efficient, and there is no doubt that Legal is a better place all around because of Demetria.

"From my perspective, Demetria has set a very high bar for new employees. She has wasted no time when it comes to automating and streamlining processes in our Legal Division," Executive Director Cindy Rougeou said.

Congratulations, Demetria!



**Employee of the 1<sup>st</sup> Quarter, 2012** **Kayla Bradford**

"Kayla Can!" We hear those words quite often in the Member Services Division.

As a Retirement Consultant in the Quality Assurance position, Kayla Bradford is a "go-to girl." She is often asked to piece together a complicated puzzle of information, working with other divisions to complete the picture.

As the Member Services testing coordinator for the 2010 legislative changes, she streamlined the testing process and made it easier to understand. She goes out of her way to remind the team that she "has their back." Even when she was scheduled to be on annual leave, she showed up at work to make sure that all questions were answered and all problems were acknowledged.

Kayla is the master of the forms process. She is evaluating all current LASERS forms to make sure they are up to current standards and works with all divisions on the creation of new forms for newly passed legislation. In the short amount of time she has been in her position, she has enhanced the Member Service desk procedures, electronically linking liaison memos, legal opinions, and legislation to the documents providing a single point for information.

Kayla has a very positive attitude. When she is faced with a new challenge, she will pause, look it over, and simply say, "I can." Then she finds a way to solve the problem. Kayla's compassion toward her co-workers and her can-do attitude make her a LASERS employee to be emulated.

**Faces** continued from page 8



2012 1st Quarter Faces of LASERS, Tonia Faust, and her two children.

years and have lost touch with their families. Faust says the hospice program insures the elderly are cared for in a dignified manner.

When Faust was asked how she cares for criminals that may have hurt others in society, she responded by saying, "I don't judge them because the Good Lord will. I treat them as human beings, but I know they are here for their punishment." Faust says she is constantly aware of where she is and keeps safety foremost in mind.

Faust's future plans include hospice certification, which involves a rigorous program, but one that will deepen her knowledge. Currently a certified corrections nurse manager with the Southern States Correctional Association, she plans to join other associations and continue to serve as a mentor to other institutions.

A LASERS member for 11 years, Tonia Faust is a dedicated state employee who believes in what she does. With the furious pace of Angola's program, her mantra is to "keep rolling with hospice."

# DROP

## Interest Rate Announced

The rate of interest to be paid on eligible (non-Self Directed Plan) DROP accounts for the fiscal year that ended June 30, 2011, is 4.95 percent. The Public Retirement Systems' Actuarial Committee (PRSAC) approved the interest rate at its March 8, 2012 meeting. Eligible LASERS members will receive DROP annual statements in April 2012.

**Rougeou** continued from page 1

anti-spiking rule to current LASERS members. This rule already applies to members hired after July 1, 2006, but applying this proposed change to members hired prior to July 1, 2006, also raises constitutional and contractual issues.

It should be noted that the stated purpose for these pension proposals is to attain and maintain the actuarial soundness of LASERS. Yet each bill includes a provision to reduce the amount of contributions the state would make to the system.

There are many critical elements to the retirement legislation and LASERS is committed to working with legislators to find practical solutions. We will keep you informed as changes develop, through our website and new Member Connection email system. Go to Member Self-Service on the LASERS website to sign up for this service.

The LASERS mission is to provide a sound retirement plan for our members through prudent management and exceptional service. We adhere to these principles each day by keeping our promises. When the session ends on June 4, I hope to share with you that the promises made to you have been kept.

Attend the LASERS  
**Retiree Workshop**  
*(Seating is limited. Please register early.)*

**This workshop is for retirees only.**

If you would like to attend, please register online under Quick Links, Seminars, Retiree Workshop on the LASERS website or contact our Customer Service Department at 225.922.0600 / 800.256.3000.

**When:** July 31, 2012, 9:00 A.M.- noon

**Where:**  
LASERS, Board Room  
8401 United Plaza Blvd.  
4<sup>th</sup> Floor  
Baton Rouge, LA 70809

- Program Includes:**
- Investment Information
  - Networking

If you are an active state employee, you may attend a Pre-Retirement Education Program (PREP). Information on retirement, investment information, social security, and health insurance is included in the program. You may register for PREP online at [www.lasersonline.org](http://www.lasersonline.org) under SEMINARS on the homepage.

## MEET THE **Faces** OF LASERS

### **Tonia Faust, R.N., CCN/M**

Hospice Coordinator, Louisiana State Penitentiary,  
Louisiana Department of Public Safety and Corrections

Public employees serve in many capacities within the realm of state government. Tonia Faust, a registered nurse and certified corrections nurse manager, practices her chosen profession at Louisiana State Penitentiary (LSP), better known as Angola. Faust is the Hospice Coordinator at the infamous maximum-security prison. Making a positive difference in such an environment affirms her dedication to state service.

Faust says, “To me, being a civil servant means serving the state, the correctional facility, taking care of the inmate patients, and helping to keep the public safe, including my children and neighbors.” Her mother worked at Angola for 17 years and was a “good role model.”

Starting in December 2001 at Angola, she has worked as a telemedicine nurse, infection control manager, and clinic manager, ultimately becoming the hospice program manager. She admits she had “extreme reservations” when she was first assigned to coordinate the hospice program. Faust describes herself as tender-hearted, so she was concerned about the emotional part of the job. She also recognized the position as “high profile” because

the nationally recognized hospice program often receives media attention.

As Faust became acclimated to her new job, her love for hospice care grew. She takes pride in the excellent care patients receive at Angola and believes her position as hospice coordinator is important. She explained that “helping people is self-gratifying.” Another rewarding aspect is educating the volunteers, patients, and staff as to their respective part in the program. She also often mentors other correctional institutions from around the country on policy and procedures.

Faust credits Warden Burl Cain for his creation of the program and his complete support of hospice. She believes part of the success of the program can be attributed to an interdisciplinary team which includes security, prison chaplains, nutritionists, bereavement counselors, and doctors. The prison is a model for other institutions because hospice has “kept the aging inmate population from being shoved aside” when they become gravely ill. Many of the patients have been incarcerated over 20

**Faces** continued on page 7