

The LASERS Vision:

Confidence in our service,
assuring financial security
for your future

LASERS Board of Trustees:

Beverly Hodges,
2013 Board Chair
225.379.1615

Connie Carlton,
2013 Board Vice Chair
225.928.4265

Thomas Bickham
225.342.6630

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

Commissioner Kristy Nichols
225.342.7086

Rep. Kevin Pearson
985.646.6487



**Candidates Qualify
for Board Election**

The nomination period for the LASERS Board of Trustees Election has closed. Four open seats must be filled by active members and one by a LASERS retiree. Trustees serve four year terms unless they are filling an un-expired portion of a term.

One candidate, Judge William Kleinpeter, qualified to fill the remaining two years of a vacancy for an active member. His unopposed candidacy eliminates the need for an election for the two-year term.

The names of candidates are listed on page two in ballot order. To review their qualifications and platforms, visit the LASERS website, www.lasersonline.org, and click on the Board of Trustees 2013 Election banner on the right side of the page.

No Trustee may serve more than three consecutive terms. Six of the 13 trustees are elected by the LASERS active membership. Three are chosen by our retirees. Four serve as ex-officio members. Those seats are reserved for the State Treasurer, the chair of the House Committee on Retirement, the chair of the Senate Committee on Retirement, and the Commissioner of Administration.

LASERS members will cast their votes for candidates between September 27, 2013 and October 25, 2013 via the Internet, telephone, or by mail. The election results will be certified by the Board and published in November.

Election packets, including information about the voting process and candidates, will be mailed to LASERS members in September. For additional information, check the LASERS website.

Schedule of Election Events

September 27	Ballot packets mailed to members. Voting begins.
October 25	Votes must be received by 4:30 p.m. (Central Time).
October 30	Votes tallied and verified.
November 15	Board certifies and authorizes publication of ballot count.
January, 2014	New elected Trustees receive orientation and are sworn in.



The 2013 LASERS Board of Trustees election is being conducted by a third party vendor, VR Election Services of Carrollton, Texas.

The company won the LASERS contract in a nationwide bidding process and previously managed several of LASERS elections.

For full details on all candidates, go to the LASERS website: www.lasersonline.org/nominees.

Voting for Active and Retiree candidates will take place via the Internet, telephone, or by mail beginning September 27, 2013 and ending October 25, 2013 at 4:30 p.m. (Central Time).

ACTIVE CANDIDATES

- **Four-Year Term**
- Three Trustees to be elected (listed in ballot order)



#1 Lori Pierce,
Department of the Treasury
(Active)



#2 Beverly Hodges,
Department of Transportation
and Development
(Active)



#3 Helen P. Jones,
Department of
Health and Hospitals
(Active)



#4 Janice A. Lansing,
Coastal Protection and
Restoration Authority
(Active)



#5 Tannie James Isaac,
Southeastern Louisiana University
(Active)

RETIRED CANDIDATES

- **Four-Year Term**
- One Trustee to be elected (listed in ballot order)



#1 Kathy Singleton,
Office of
Community Service
(Retired)



#2 Lorry Simmons Trotter,
Louisiana State University
Paul M. Hebert Law Center
(Retired)

ACTIVE CANDIDATES

- **Two-Year Term**
- One Trustee to be elected (listed in ballot order)

UNOPPOSED



#1 Judge William Kleinpeter,
City Court of Port Allen
(Active)



Final Outcome of 2013 Retirement LEGISLATION

Retirement legislation was not in the forefront of the 2013 Regular Session as it was in 2012. The LASERS Board of Trustees took positions on 10 bills this year, and in the final outcome, none of the bills impacted active or retired LASERS members.

The LASERS Board supported two resolutions, **HCR 2** (Harrison) and **SCR 1** (Cortez). **HCR 2** unanimously passed and suspended implementation of the provisions of the Cash Balance Plan (CBP) to July 1, 2014. **SCR 1** was a companion resolution and it did not complete the legislative process. **HCR 2** is no longer relevant given the Louisiana Supreme Court's ruling on the CBP described below.

The LASERS Board supported **SB 4** (E. Guillory), but it was withdrawn by the author after amendments adding contingencies to the funding method change were included. This measure would have changed the LASERS actuarial funding method from projected unit credit to entry age normal.

SB 17 (E. Guillory) was also supported by the LASERS Board, but failed to advance. It would have created the State Retirement Fund and allocated two percent of revenue collections in excess of Fiscal Year 2011-2012 levels to the Fund for payment of the unfunded accrued liability (UAL) and cost of living adjustments (COLAs).

Six bills were opposed by the LASERS Board and all of them failed to move forward:

HB 35 (Barrow) would have provided for a 25 years at any age retirement eligibility for employees of hospitals operated as part of the LSU Health Sciences Center which were subject to closures;

HB 57 (Pearson) would have increased the employee contribution rate for all members by two percent to pay the System's UAL. It provided for a 60-month final average compensation (FAC) and 15 percent anti-spiking for all LASERS members;

HB 61 (Badon) would have provided for a "divided benefit" for members whose actual earnings in a calendar month are 30 percent or more above his or her average monthly earnings for the immediately preceding 12 months;

HB 729 (Pearson), which was a substitute for HB 68, would have re-enacted the Cash Balance Plan and made changes regarding membership, withdrawals, interest, transfers, reciprocals, disability and survivor benefits, re-employment, purchases, and dual plan membership;

SB 7 (Peacock) would have provided for a 60-month FAC and 15 percent anti-spiking for all LASERS members;

SB 11 (E. Guillory) would have increased employee contributions by three percent beginning July 1, 2013, provided for a 60-month FAC, and 15 percent anti-spiking for all LASERS members.

For more details about each of these bills, visit the LASERS website at www.laseronline.org/Legislative_Issues_2013 or the [Louisiana Legislature website](#).

Cash Balance Plan Passed Unconstitutionally



On June 28, the Louisiana Supreme Court unanimously ruled that the Cash Balance Plan enacted in 2012 did not receive the requisite two-thirds vote of the legislature and was therefore unconstitutional. The ruling was in a lawsuit brought by the Retired State Employees Association (RSEA) and upheld the decision of Judge William Morvant of the Nineteenth Judicial District

Court. A copy of the opinion of the Court can be viewed on the [LASERS website](#).

The Cash Balance Plan was originally enacted to apply to state employees hired starting July 1, 2013. Given the Supreme Court's ruling, the plan will no longer take effect. The RSEA brought the suit as it had promised to do during the 2012 legislative session. It is a membership organization open to both retirees and active state employees.



RSEA Hosts 5th Annual Conference

October 7-9, 2013
Paragon Casino & Resort,
Marksville, Louisiana

For more information contact:

Patsy Austin, RSEA Conference Coordinator
P.O. Box 613, St. Amant, LA 70774

Email: pbaustin@etigers.net

Questions: call 225.675.6359 (o) or 225.806.2899

Visit the RSEA website for conference costs and agenda information - www.rseala.org.

The Board MEMO

Beverly Hodges, 2013 Board Chair



June saw the end of the 2013 Legislative Session and the LASERS Board of Trustees is already planning for the 2014 Session. For the past two years, the Board has proactively supported bills

to change the LASERS actuarial funding method from projected unit credit to entry age normal (EAN), but the bills have failed to advance each time. LASERS has recommended the switch in funding methods because it would promote long-term stability within the System; also, the Governmental Accounting Standards Board (GASB) will soon require the rule change for accounting disclosures. A failure to switch to EAN will result in the need for two separate actuarial valuations based upon the different cost methods, which would be costly to LASERS and unduly complicated for our stakeholders.

The Board of Trustees continues to focus on four significant issues of importance to System members. As these issues can be impacted during legislative sessions, an update on each is provided below:

Issue 1 - Identification and implementation of a legislatively enacted mechanism for the funding and granting of an annual cost-of-living (COLA) adjustment for eligible System retirees in a reliable and dependable manner.

Two bills during the session attempted to change the current COLA mechanism. The LASERS Board supported SB 17, which would have created the State Retirement Fund to be funded with two percent of excess revenue. The LASERS Board opposed SB 11, which proposed a COLA mechanism for current and future retirees, because it increased the final average compensation (FAC) from three to five years for existing members and raised constitutional concerns. Both bills failed to advance out of the retirement committee.

Due to the uncertainty of COLAs under the existing structure, active members are urged to consider the information which will be presented in the *Build Your Nest Egg* series described on [page five](#).

Issue 2 - Preservation of the defined benefit plan for current and future LASERS members.

The Legislature did not consider defined contribution legislation this year. LASERS has worked diligently throughout the year to distribute accurate information on the advantages of a defined benefit plan for Louisiana state employees.

Also, although the Cash Balance Plan enacted in 2012 for new hires is a defined benefit plan, the failure to require annuitization of benefits diminishes retirement security. The legislature's suspension of implementation of the plan was supported by the Board. Subsequently, the Louisiana Supreme Court has ruled that the Cash Balance Plan, as passed, was unconstitutional as it did not pass with the required two-thirds vote.

Issue 3 - Preservation of Board autonomy as well as its primary composition of elected active and retired System members.

There was no legislation introduced in this session that would have changed the Board composition.

Issue 4 - While continuing to oppose mandatory Social Security participation, seek the reduction or elimination of the federal offsets, the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO).

During this session, one resolution (HCR 40 – Harrison) passed that memorialized Congress to review and consider eliminating the GPO and the WEP Social Security benefit reductions.

Over the past year, Trustees have worked steadily to meet the new educational requirements mandated by the Legislature. Additional hours are now required in Actuarial Science, Laws, Rules, & Regulations, and Fiduciary Duty/Ethics. It is my privilege to serve with such an involved and knowledgeable group of Board members.

Clarification of Disability Retirement Eligibilities

Due to the volume of members' questions on disability retirement eligibilities, we would like to clarify the requirements for disability retirement.

A rank-and-file employee may apply for disability retirement if the employee is unable to perform their assigned work duties, and meets the following criteria:

- Has at least 10 years of service credit, and
- Is an active member (working or on leave, including leave without pay) at the time the disability application is submitted.

Rank-and-file employees* with 20 years of service credit are not eligible for disability retirement, but may apply for **an actuarially reduced retirement**. This retirement is available to members both in and out of state service. However, the actuarial reduction is typically greater for an employee who is out of state service.

Active members may obtain an estimate of the regular retirement benefit they would receive by using the online calculator on the Active Member Self-Service section of the [LASERS website](#).

**The rules are different for members in certain specialty plans. In particular, members of the Corrections Secondary plan, and members of the Wildlife & Fisheries plan hired on or after July 1, 2003, are not eligible for non-line of duty disability retirement if they have 25 years or more of service credit.*



Build Your Nest Egg will feature a new topic each month, and include tips and strategies to help build and enhance your retirement income. Members will have access to this information through the LASERS website, Member Connection email service, *The Beam* newsletter, the LASERS social media pages, the Great-West website, and the LASERS podcasts. LASERS will also work with agencies to distribute information to members.

Planned topics include deferred compensation, budgeting, investment education, tax benefits, and many more. *Build Your Nest Egg* is designed for active members, so they can take proactive and necessary steps to prepare for a potential gap in personal income once they retire.

LASERS is committed to assuring financial security for our members. The LASERS Board of Trustees continues to work with the Legislature to identify and implement a mechanism to fund and grant annual COLAs for eligible System retirees. Currently, there is no way to predict when COLAs may be granted.

LASERS and Great-West Financial are partnering to bring LASERS members a new pre-retirement planning series this fall entitled, *Build Your Nest Egg*. The partnership for the series developed to address the needs of members planning for retirement without guaranteed cost of living adjustments (COLAs). A COLA is an increase in one's monthly retirement benefit to account for increasing prices or inflation.

Rougeou continued from back page

the House and Senate. Although the delay will no longer be necessary in light of the Court's ruling, I wish to thank both Rep. Harrison and Sen. Cortez for their sponsorship of the two resolutions. And, of course, sincere thanks to the RSEA which brought the important question on the two-thirds vote requirement to the Court. The importance of RSEA's efforts in this matter cannot be overstated.

As the LASERS Board of Trustees Election approaches, take time to read the candidates' qualifications and platforms, found on the LASERS website. Trustees perform a crucial role for the System. Among their responsibilities are setting the allocation of assets as well as determining the policies and direction of the System. I encourage you to actively participate in this election year by voting.

Things you need to know!

Health Premiums Decrease



Effective August 1, state employees and retirees will pay 1.77 percent less in monthly premiums for health coverage through the state Office of Group Benefits (OGB).

OGB health plan premiums are deducted from employee paychecks a month in advance, so this new rate reduction will be reflected in July paychecks. Retirees' benefit checks disbursed at the beginning of August also will reflect the change.

View the new rates on the Office of Group Benefits website, www.groupbenefits.org.

Facts for Retirees Returning to State Service



Several steps must be followed if you are a retiree returning to state service. First, notify LASERS of your plan to return to work as a re-employed retiree. This notice is through *Form 10-2 Re-employment of Retiree*, which should be filed within 45 days of your rehire date. If you receive benefits from another public retirement system, such as another state, municipal, or parochial system, you must notify them of your return to state service to avoid overpayments of benefits.

Second, you must choose an option when you rejoin state service. Your selection is considered irrevocable and is effective for the complete term of your re-employment. The options are described in detail in the LASERS Membership Handbook, found on the [LASERS website](#). Basically, unless you meet an exception, you must choose between receiving your salary or retirement benefits or limit the amount of your earnings for your re-employment. Discuss your questions or concerns with your employing agency or contact LASERS for more information.

Direct Deposit

We are in the midst of hurricane season and these questions might arise ... what would you do if your post office was closed because of storm damage? Could you manage if the post office was unable to deliver your "paper" benefit check for weeks? There is a simple solution to this problem. Sign up today for direct deposit! *Form 04-05 Authorization for Direct Deposit* are available for download on the LASERS website, www.lasersonline.org or it can be mailed to you.

Benefit Payments

Monthly benefit payments are scheduled to be paid on the first of each month to LASERS members. However, your receipt of the funds can be affected by whether you receive a check or direct deposit and your bank's rules when the first falls on a weekend or holiday.

Direct Deposits are guaranteed to be in your bank or credit union on the **first day** of the month. Be aware that if the first falls on a Saturday, Sunday, or holiday, funds may not be available until the following business day. In these cases, please contact your financial institution directly for information on when your funds will be made available to you. That decision is made by your financial institution, not LASERS. If you have not received your monthly benefit payment by the first business day of the month, please contact LASERS in Baton Rouge at 225.922.0600 or toll-free at 800.256.3000.

Checks are mailed for delivery on the first of each month. However, **delivery can be delayed because of inclement weather and holidays**. Also, the Postal Service is considering delivery changes such as eliminating Saturday deliveries. If you have not received your monthly benefit check by the fifth business day of the month, you should take the following steps:

1. Notify LASERS in writing that you wish to have the check reissued.
2. The written notification must include your name, Social Security number, and signature.
3. Sign up for direct deposit to avoid this problem in future. *Form 04-05 Authorization for Direct Deposit* is on the [LASERS website](#).



Getagameplan.org is a great source for finding the things you need to prepare your family for a natural disaster. The website features checklists, tips on preparing a home emergency kit, a personal evacuation plan, and how you can prepare for electrical outages.

Download the [Get a Game Plan app](#) for your iPhone or iPad straight from the Apple iTunes store. You can also find Get a Game Plan on [Facebook](#) and [Twitter](#).

LASERS Awarded for Excellence

Hermes

The Public Information Division at LASERS was recognized in the Hermes Creative Awards 2013 competition. LASERS won seven awards, one for each entry submitted in the competition. Hermes Creative Awards is an international competition for creative professionals involved in the concept, writing, and design of traditional and emerging media.



For more information about LASERS Hermes awards, refer to the [LASERS website](#).

CAFR and PAFR

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded LASERS a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012, for the sixteenth consecutive year. LASERS was also recognized by GFOA with an award for its Popular Annual Financial Report (PAFR) entitled LASERS Summary Annual Report for the fiscal year ended June 30, 2012, for the fourteenth consecutive year. View both publications on the [LASERS website](#).



••••• YouTube Preparation for Individual Counseling



In [LASERS newest video](#), Executive Director Cindy Rougeou discusses questions such as: Are you eligible to retire? What type of retirement is best for you? Which retirement option should you select? And what should you do with your leave balances? This video is intended to familiarize rank-and-file LASERS members with the retirement planning process and should be viewed before you meet with a LASERS Retirement Benefits Analyst to discuss your retirement options. A companion [Pre-Counseling PowerPoint \(PDF file\)](#) is also provided with detailed information.

Employee of the 2nd Quarter, 2013

Chuck Harrison



In the first hour of employment at LASERS, a new hire will probably encounter Chuck Harrison. As an IT Tech Support Specialist, Chuck sets up new employees' computers, provides passwords, and gives a general overview of the network. One could say that Chuck is the welcoming committee, but that is just the beginning of what he does for employees at LASERS.

Chuck is a dedicated, well-mannered, professional, and hard-working individual. He is always prompt in responding to Service Desk calls, and is diligent until a problem is resolved. Employees rely heavily on Chuck, and his ability to keep our personal computers up and running ensures a high level of productivity at LASERS. Chuck is clearly committed to the agency as evidenced by his focus, promptness, and determination to succeed.

Chuck recently installed new Adobe software on the Public Information Division computers, which is contributing to the overall efficiency of the division and enhancing video production capabilities. This was not an easy task, due to Adobe complexities, but Chuck worked tirelessly through every issue.

In addition, Chuck volunteers for every event at LASERS, adding to the staff's enjoyment. One may find him serving biscuits, icing down drinks, ladling gumbo, or washing dishes after events. His involvement is endless. Chuck also donates to every charity that is supported by the LASERS staff. He is always willing to lend a helping hand, and never expects anything in return.

Chuck's contributions to LASERS are two-fold. First, his technical expertise supports the LASERS staff, which in turn guarantees exemplary customer service to our members and outreach efforts. Second, Chuck's kindness and consideration are consistently demonstrated in LASERS extracurricular activities. He is a wonderful employee and deserving of this award.

Congratulations, Chuck!



From the Desk of
Cindy Rougeou

LASERS Executive Director

More than 7,000 LASERS members are currently affected by hospital layoffs around the state. Of that number, approximately 1,900 are eligible to retire.

The LASERS Member Services Division is working diligently to address the needs of our members. Over the past several months, we have seen a substantial increase in appointments and estimate requests. Our Retirement Education Department has conducted several on-site meetings at facilities to ensure those affected have the information they need for retirement. In addition, group estimate counseling sessions were held to provide more assistance to members.

I would like to reassure members that LASERS is doing everything we can to assist you during this difficult time. The Member Services staff is working overtime to handle the influx of applications. For your information, it takes a considerable amount of time to process a preliminary estimate, final benefit, and approve the calculation. Our goal is to get a preliminary benefit paid to the retirees as expeditiously as possible.

For those who have scheduled an appointment, it is crucial that you view the new LASERS pre-counseling video and companion PowerPoint located on the LASERS website. This information will give you an important overview of the types of decisions you must make for retirement and will insure a productive appointment with a LASERS Retirement Benefits Analyst. Please keep in mind that you may use the Member Self-Service feature on the LASERS website anytime for helpful information specific to your account.

As noted earlier in the newsletter, the Louisiana Supreme Court declared the Cash Balance Plan (CBP) unconstitutional. Prior to the ruling, the LASERS Board of Trustees had supported two important resolutions during the 2013 Legislative Session to suspend implementation of the plan until July 1, 2014. It was critically important to LASERS that implementation be delayed to allow time for the IRS to rule on the Social Security equivalency of the benefits provided, and for LASERS to prepare for the complex administration of the new plan. HCR 2, authored by Rep. Joe Harrison, passed unanimously in

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