

The LASERS Vision:

Confidence in our service,
assuring financial security
for your future

LASERS Board of Trustees:

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2012 Board Chair
225.928.4265

Thomas Bickham
225.342.6630

Beverly Hodges
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State Treasurer
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Rep. Kevin Pearson
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Cash Balance Plan

UNCONSTITUTIONAL

–What Happens Next?

On January 24, 2013, 19th Judicial District Court Judge William Morvant ruled Act 483, known as the Cash Balance Plan (CBP), unconstitutional.

Attorneys representing the Retired State Employees Association (RSEA) filed the lawsuit on August 16, 2012. RSEA claimed that Article X, Section 29(F) of the Louisiana Constitution required a two-thirds vote to enact the law because the Legislative Actuary had issued a note indicating that the legislation presented a cost. The House of Representatives passed the CBP with a simple majority, lacking the 70 votes which would constitute two-thirds of the elected members.

The legislation would have affected future non-hazardous duty state employees of LASERS, post-secondary education members of the Teachers' Retirement System, and would have been optional for certain Louisiana School Employees' Retirement System members. The plan would have taken effect for these new hires on July 1, 2013.

So what does the ruling mean?

The defendants in the case have 30 days to file an appeal. The case will then go straight to the Louisiana Supreme Court for a ruling. The Governor's Office has announced that an appeal will be filed.

According to Division of Administration staff members, a request will be made for an expedited appeal, with hopes of receiving a ruling within several months.

Since Act 483 was ruled unconstitutional, it cannot be implemented on July 1, 2013, unless the Louisiana Supreme Court suspends or overturns Judge Morvant's decision. It must be noted that the merits of the plan were never at issue in the litigation, only the way in which it was passed by the House of Representatives.

2013 LASERS Board of Trustees Election

The qualifications for candidates seeking a seat on the Board are:



Every two years, LASERS members are asked to cast their ballots for candidates for the 13-member Board of Trustees. 2013 is an election year, with five seats on the Board up for a vote. Nominations will open March 1 and close July 9. Votes will be cast in September and October and the results certified by the Board and published in November.

Four open seats must be filled by active members. One of the four seats up for election will be to fill the remaining two years of a vacancy, with that term expiring in 2014. Retirees will cast their vote for one position. If you are interested in running for the Board, you may obtain a nominating petition from your agency's human resources office, the LASERS website, www.lasersonline.org/Board_Elections, or by calling LASERS.

Trustees serve four year terms unless they are filling an un-expired portion of a term. 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.

The LASERS 2013 Board of Trustees Election will be conducted by a third party vendor experienced in handling balloting for public pension plans. LASERS members will receive election ballot packets by mail, and will be able to vote by mail, telephone, or the Internet. We look forward to your participation in this important and exciting process.

Active Candidate 2013

LASERS Board of Trustees Election

- An active member candidate must have at least 10 years of credited service with LASERS (excluding any military service credit) by the closing date for nominations, **July 9, 2013**.
- Each active candidate must submit a nominating petition bearing the names and signatures of at least 25 active LASERS members. Each signature must be accompanied by the last four digits of the signatory's Social Security number.
- Each petition should be accompanied by the candidate's photo, qualifications, and platform.
- Each candidate must clearly state in his petition whether he is running for a four-year term or for an un-expired portion of a term.

Retired Candidate 2013

LASERS Board of Trustees Election

- A retired member candidate for a position as a trustee must be retired by the closing date for nominations, **July 9, 2013**. The term "retired member" shall not include any person still employed by the state, including retired status under the Deferred Retirement Option Plan (DROP). A LASERS retiree who is re-employed by the state pursuant to La. R.S. 11:416 (1) and (3) is still considered a "retired member."
- Each retired candidate must submit a nominating petition bearing the names and signatures of at least 25 retired members of LASERS. Each signature must be accompanied by the last four digits of the signatory's Social Security number.
- Each petition should be accompanied by the candidate's photo, qualifications, and platform.

Schedule of Election Events

March 1, 2013	Nominations Open.
July 9, 2013	All nominating petitions, platforms, and photos due to LASERS by 4:30 p.m. (Central Time).
July 15, 2013	Drawing to determine candidate positions on ballot.
September 27, 2013	Final day that information on candidates/ballots mailed to members.
October 25, 2013	Votes must be received by 4:30 p.m. (Central Time).
October 30, 2013	Votes tallied and verified by this date.
November 15, 2013	Board certifies and authorizes publication of ballot count.
January, 2014	Newly elected Trustees receive orientation and are sworn in.

Responsibilities of the Trustee

- A trustee should have knowledge of, background in, or the ability to understand and utilize investment principles and terminology for a retirement system whose current assets exceed \$9 billion.
- A trustee should become familiar with all applicable retirement laws in order to adequately rule on appeals submitted by members of the retirement system.
- Trustees are expected to attend all regularly scheduled meetings of the Board; assigned committee meetings; and workshops.
- Trustees must act in the sole and exclusive interest of LASERS members and retirees. Breach of fiduciary duty can result in personal liability.
- Trustees must file annual personal financial disclosure reports with the Board of Ethics detailing, among other requirements, income received from the state, political subdivisions, and gaming interests.

LASERS Board of Trustees Elect New Officers for 2013



l-r: Connie Carlton, 2013 Vice Chair, Cindy Rougeou, Executive Director, Beverly Hodges, 2013 Board Chair

At the January 25 LASERS Board of Trustees meeting, new officers were elected for 2013.

Beverly Hodges, a financial service administrator with the Department of Transportation and Development, will serve as the new Chair. Hodges has been a Trustee since 2010 and has chaired both the LASERS Audit and Management Committees.

Connie Carlton was elected as the new Vice Chair. Carlton was first elected to the Board of Trustees by retirees in 2004. Since that time, she has chaired both the Investment and Management Committees, and for the past two years has served as the Board of Trustees Chair.

LASERS Executive Director Cindy Rougeou said,

“Beverly and Connie both have tremendous knowledge of finance and retirement, and we look forward to their leadership in 2013.”

LASERS Investment Returns at 14.3 Percent for 2012

LASERS generated an investment return of 14.3 percent for the period January 1, 2012 to December 31, 2012. The 2012 calendar year-to-date performance is based on LASERS total plan, with a current market value exceeding \$9.5 billion.

In addition to being recognized as one of the top ten performing pension systems in the nation for the past decade, LASERS has been nominated for the Mid-Sized Public Plan of the Year by Institutional Investor. Institutional Investor is a leading international business to business publisher, focused primarily on international finance. For more than 30 years, they have recognized people and firms in the financial services industry for excellence.

LASERS current fiscal year-to-date return for the period July 1, 2012 to December 31, 2012 is eight percent, with a three-year average return of 10 percent. LASERS was recently recognized by Wilshire's Trust Universe Comparison Service (TUCS), as one of the top public pension systems in the United States with a market value greater than \$1 billion. Statistics reveal that LASERS is in the top nine percent in both the 10-year and three-year investment return categories.

LASERS Executive Director Cindy Rougeou said, "Throughout the turmoil in the markets over the past decade, LASERS has maintained a 'stay the course' strategy as a defined benefit plan constructed to withstand the ups and downs of the market. Our returns reflect the soundness of our investment approach, making modest adjustments over time when appropriate, and never over-reacting to any one year market return."

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0119		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution	2012	
		\$	Form 1099-R	Copy 1 For State, City, or Local Tax Department
PAYER'S federal identification number		2a Taxable amount		
RECIPIENT'S identification number		\$	2b Taxable amount not determined <input type="checkbox"/>	
RECIPIENT'S name		3 Capital gain (included in box 2a)	4 Federal income tax withheld	
Street address (including apt. no.)		\$	\$	
City, state, and ZIP code		5 Employee contributions / Designated Roth contributions or insurance premiums	6 Net unrealized appreciation in employer's securities	
		\$	\$	
		7 Distribution code(s)	8 Other	
		IRA/SEP/ SIMPLE <input type="checkbox"/>	\$	
		9a Your percentage of total distribution	9b Total employee contributions	
		%	%	
10 Amount allocable to IRAs within 5 years	11 1st year of design. Roth contrib.	12 State tax withheld	13 State/Payer's state no.	14 State distribution
\$		\$	\$	\$
Account number (see instructions)		16 Local tax withheld	18 Name of locality	17 Local distribution
		\$	\$	\$

Form 1099-R for 2012

Form 1099-R for 2012 was mailed to retirees on January 29, 2013. Please allow up to two weeks for delivery. If you have not received it by February 7, or if you need to request a duplicate copy, you may access your 1099-R information online through LASERS Retired Member Self-Service.

To report an error or request a duplicate be mailed to you, please call LASERS at 225.922.0600 or 1.800.256.3000 and ask to speak to a representative in Member Services. Should you have questions regarding your 1099-R, we suggest that you contact your tax advisor.

Information on Deductions

Credit Union Deductions from Recipients' Checks

If you have a credit union deduction from your monthly LASERS check, and wish to change or cancel this deduction, you must contact the financial institution to make changes. LASERS cannot initiate these changes. You should specify that this is a monthly payment from a retirement system to acquire the appropriate paperwork.

Questions About Insurance Deductions and Policy Information

All questions about health, life, and supplemental insurance policies should be directed to the insurance provider. LASERS does not hold policy information on your account, and cannot provide answers to your insurance questions. Should you need to reach your insurance company, and do not know the number, you may contact the human resources office of the agency from which you retired.

Rougeou continued from back page

interact with colleagues from other retirement systems around the country, I am proud to say that LASERS ranks among the best in terms of investment returns and administration of the System. Our commitment has never

been stronger to our members. If you have questions or need assistance, please visit our website for information or call Member Services. We are here to serve your needs. Thank you.

The Board MEMO

Connie Carlton, 2012 Board Chair



January signaled the end of my second consecutive term as Board Chair. It was a great pleasure to serve the LASERS members and to work with the LASERS staff over the past year. I wish to thank my fellow Trustees

for their support. As I pass the chairmanship to Beverly Hodges, I have confidence that LASERS will continue to thrive and meet its mission of excellence.

The LASERS Board experienced some changes in 2012. With the passage of Act 113, the Commissioner of Administration or a designee was added to the Board on July 1.

Act 718 increased the educational requirements for retirement system board members. The 2013 LASERS Board of Trustees Workshop, held on January 23 and 24, allowed Trustees to gain additional hours of credit in Laws, Rules and Regulations, Actuarial Science, and Fiduciary Duty. Workshop presentations by LASERS professional investment staff included a performance review for 2012 year-end and asset allocation information, with Trustees earning 6.5 hours of investment education. LASERS Trustees consider continuing education a crucial part of their responsibility to the System.

For those following the cost-of-living adjustments (COLA) discussion, the Senate and House Retirement Committees met for the third time on December 11. A presentation was made by Senate staff on potential legislation modifying the current COLA mechanism for certain LASERS and TRSL retirees. However, the presentation raised many of the same constitutional concerns that were the subject of the 2012 legislative session, including a requirement that active employees of LASERS and TRSL contribute an additional three percent of their annual compensation, and move to a 60-month final average compensation period, purportedly to create a funding mechanism for the granting of their future COLAs. It should be noted that any fund that is created statutorily may still be subject to being swept for other purposes. LASERS is committed to working with the retirement committees to address the COLA funding issue, while protecting the constitutional rights of both retirees and actives. More information will be shared with members as it becomes available.

The annual Retired State Employees Association (RSEA) Tour kicks off on March 5 in Shreveport. As RSEA travels around Louisiana, I hope you will join us in your community for the latest retirement information. LASERS, along with other retirement experts, will present at each meeting. Best of all, both active and retired members have the opportunity to join forces for the common good. I hope to see you there!

RETIREE— Benefit Information



Direct Deposits

LASERS sends electronic files to financial institutions so that funds are set to be available on the first of the month. However, if a Federal Reserve holiday falls on the first of the month, a delay may occur as to the availability of funds.

Paper Checks

The monthly benefit checks for LASERS members are mailed for delivery on the first of each month.

If you have not received your monthly benefit check by the fifth working day of the month, you may 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. To avoid this problem in the future, you may want to consider using direct deposit, which delivers your benefit payment to your bank or credit union on the first business day of the month. The direct deposit authorization form is available on our website or you may call LASERS to have it mailed to you.

Pre-Retirement Education Program (PREP)

Register online, www.lasersonline.org under "Seminars"

The day you choose to retire is a very important date. The LASERS staff looks forward to assisting you with all of the necessary information in your transition to retirement. Whether you are a new LASERS member or approaching retirement, we advise you to sign up for a PREP seminar to receive the latest information in retirement planning.

Register to attend a PREP seminar by visiting the LASERS website. The website includes exact locations with maps. Additional PREP dates will be added to the website as they are confirmed.

January-December 2013 PREP Schedule

Seminars are held from 8:00 a.m. to 3:30 p.m.

DATES	CITY	LOCATION
05/09 08/21	Alexandria	LSU – Alexandria
01/24 05/16 09/26 02/28 06/27 10/24 03/21 07/18 11/21 04/18 08/22 12/19	Baton Rouge	State Police Training Academy
04/16 07/10	Hammond	Southeastern Louisiana University
02/26 08/13 10/02	Lafayette	University of Louisiana at Lafayette
04/24 08/14	Lake Charles	McNeese State University
05/21 08/06	Monroe	University of Louisiana at Monroe
05/22 08/07	Shreveport	Louisiana State University – Shreveport
05/07 10/16	Thibodaux	Nicholls State University

Annual RSEA Tour Kicks off March 5

The 2013 Retired State Employees Association (RSEA) will conduct their annual statewide chapter tour beginning Tuesday, March 5 in Shreveport. LASERS officials will speak at each of the nine meetings. Active and retired members are encouraged to attend their

respective chapter meetings for up-to-date information on current issues affecting state employees and retirees. Please review the schedule below to find out where you can attend an RSEA chapter meeting.



Shreveport Tuesday, March 5 10:00 a.m.	Lake Charles Tuesday, March 12 10:00 a.m.	North Shore Monday, March 25 10:00 a.m.
Monroe Wednesday, March 6 9:30 a.m.	Acadiana Wednesday, March 13 9:30 a.m.	Coastal Tuesday, March 26 9:30 a.m.
Alexandria Thursday, March 7 9:30 a.m.	Baton Rouge Wednesday, March 20 9:30 a.m.	New Orleans Wednesday, March 27 10:00 a.m.

Go to www.tinyurl.com/RSEASchedule for meeting locations.

LASERS Members Recognized at Dunbar Career Service Award Ceremony

The 54th annual Charles E. Dunbar, Jr. Career Service Awards honored 12 state employees on January 18, 2013 at the DoubleTree Hotel in New Orleans for “service over and above the call of duty.” Ten of the 12 honorees are LASERS members.



Charles E. Dunbar, Jr.

The Dunbar Award is the highest honor a classified state employee can receive for their service. The Civil Service League judges nominees based on commitment to the classified service, contributions toward workplace improvement, personal initiative, and volunteer community service.

LASERS members honored at the luncheon were:

- **Carolyn G. Broussard**, retired Administrative Assistant at the University of Louisiana at Lafayette.
- **Paul B. Fossier, Jr.**, Assistant Bridge Design Administrator with the Dept. of Transportation and Development.
- **Gustave Freche, Jr.**, Administrative Program Manager at the LA War Veterans’ Home.
- **Geraldine Jones**, Human Resources Manager at the Interim LSU Public Hospital.
- **Noel Kinler**, Biologist Program Manager with the Dept. of Wildlife and Fisheries.
- **Eugenie C. Powers**, Deputy Secretary for the Dept. of Public Safety and Corrections.
- **Gary Shotwell**, Assistant Warden at Dixon Correctional Institute.
- **Anthony H. Speier, Ph.D**, the Assistant Secretary at the Office of Behavioral Health.
- **Rainette Stephens**, Staffing Division Administrator for the Dept. of State Civil Service.
- **Riis P. Suire**, Classification Director at the LA State Police Barracks.

Each of the honorees are career state employees who worked their way “through the ranks” and continue their commitment of unselfish service to the State. Congratulations and thank you for your service.



Employee of the Quarter **Brandi Guidry**

Not enough can be said about Brandi Guidry. Brandi came to LASERS in April of 2008 from the private sector and was promoted in May of 2011 to an Accountant Supervisor. Brandi played an instrumental role in transitioning the Disability Earned Income Statement (EIS) verification process from Member Services to Fiscal. She continues to work closely with IT on SOLARIS modifications for the Disability process to enhance and improve efficiency. She never complains when new processes or extra work are thrown her way. Brandi receives numerous compliments from members and other LASERS staff thanking her for her quick and accurate follow up on matters. One member wrote in stating that Brandi “exhibits not only the mastery of her responsibilities as an Accountant, but excels at people skills which are so hard to find these days.” She always has a pleasant attitude when dealing with member issues. Brandi never hesitates to assist her staff or other Fiscal team members to meet deadlines or help with backlogs. She always has a smile on her face and is a pleasure to work with. Brandi is one of a kind and truly a tremendous asset to the Fiscal Division and to LASERS.



Introducing the LASERS Education Outreach Series

In our latest video, “Countdown to Retirement,” LASERS Deputy Director Maris LeBlanc shares the steps you should take to prepare for retirement.

www.lasersonline.org/videos



From the Desk of
Cindy Rougeou

LASERS Executive Director

In reviewing LASERS accomplishments in 2012, I am pleased to share some of the most significant ones with you. LASERS administered 22 retirement plans, while responding to record increases in customer service calls. The increased call volume related primarily to concerns about potential legislative changes to our existing retirement plans as well as possible layoffs resulting from hospital and prison closures. LASERS staff worked diligently to reassure members and to assist them with their retirement planning. Procedures were developed for agencies and members facing layoffs. LASERS launched the Member Connection email service so that time sensitive retirement information could be shared with more than 30,000 members in an instant.

We are extremely pleased to report that LASERS earned a 14.3 percent investment return for calendar year 2012 and was recognized as being one of the top 10 performing state pension plans in the nation for the past decade, based upon our investment returns. It should also be noted that our average long-term actuarial return, going back 29 years, exceeds eight percent.

The LASERS Board of Trustees is to be commended for their achievements over the past year. I would like to thank Connie Carlton, Board Chair, and Barbara McManus, Vice Chair, as well as all of our Trustees for their leadership, wisdom, and tenacity throughout the legislative session. Our Board of Trustees considers preservation of our defined benefit plan to be a Significant Board Issue.

If you are interested in serving as a Trustee, 2013 is a Board election year. Both LASERS active and retiree positions will be on the ballot. Information on the election is in this issue of *The Beam*.

Many issues remain with the Cash Balance Plan (CBP). In January, it was ruled unconstitutional because of the way in which it was passed during the legislative session. Now the appeal process will take the case to the Louisiana Supreme Court for a final decision as to its constitutionality. In addition, the IRS has been asked to make a ruling on the CBP as to its equivalency to Social Security.

As I serve as first Vice President on the National Association of State Retirement Administrators (NASRA) Board and

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