

The LASERS Vision:

Confidence in our service,
assuring financial security
for your future

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2014 Legislative SESSION

The 2014 Regular Session of the Louisiana Legislature convened on March 10 and will end June 2. The following retirement bills, categorized by subject, were filed and would impact LASERS if passed. The positions taken by the LASERS Board of Trustees, based on the initial language of the bills, are noted below.

Bill statuses will be updated on the LASERS website as the Session progresses.

System Fixes:

SB 13 – Peacock *Position Taken:* Support

Systems Impacted: LASERS & TRSL

Changes the LASERS actuarial funding method from projected unit credit to entry age normal. Makes changes regarding excess earnings to be applied to the Unfunded Accrued Liability (UAL) and the Experience Account, and makes changes regarding the payment of cost-of-living adjustments (COLAs).

SB 30 – Cortez *Position Taken:* Support

Systems Impacted: LASERS

LASERS technical corrections regarding spousal consent, survivors' benefits, and post-Deferred Retirement Option Plan (DROP) contribution rates.

COLAs and Supplemental COLAs:

SB 18 – Guillory *Position Taken:* Support

Systems Impacted: LASERS

Provides a 1.5 percent COLA for eligible retirees, survivors, and beneficiaries.

HB 30 – Jones *Position Taken:* Support

Systems Impacted: LASERS

Provides a 1.5 percent COLA for eligible retirees, survivors, and beneficiaries.

HB 34 – Jones *Position Taken:* Support

Systems Impacted: LASERS

Provides a supplemental benefit increase (amount is to be determined) payable from the Experience Account.

Bills continued on page 2

2014 Legislative Bills

Bills continued from page 1

Obtain full Legislative Bill details at
www.lasersonline.org/Legislative_Issues_2014

HB 84 – Jackson *Position Taken:* Support

Systems Impacted: LASERS

Provides a supplemental benefit increase (amount is to be determined) payable from the Experience Account.

HB 85 – Jackson *Position Taken:* Support

Systems Impacted: LASERS

Provides a 1.5 percent COLA for eligible retirees, survivors, and beneficiaries.

SB 27 – Walsworth *Position Taken:* Support

Systems Impacted: LASERS

Provides a supplemental benefit increase (amount is to be determined) payable from the Experience Account.

Specific Situations:

HB 64 – Havard *Position Taken:* Oppose

Systems Impacted: LASERS

Provides that certain employees of the Eastern Louisiana Mental Health System are eligible for membership in the Hazardous Duty Services Plan.

HB 78 – Montoucet *Position Taken:* Oppose

Systems Impacted: LASERS

Provides for additional and retroactive retirement benefits for certain adult probation and parole officers employed on or before December 31, 2001 at no cost to the member.

HB 93 – Shadoin *Position Taken:* Oppose

Systems Impacted: LASERS

Authorizes certain judges to transfer service credit from the District Attorneys' Retirement System to LASERS without cost to the member.

SB 15 – Ward *Position Taken:* Oppose

Systems Impacted: LASERS

Allows the surviving spouse of a judge who dies while in active service to select the Initial Benefit Option (IBO) if the judge was eligible to receive a benefit equal to 100 percent of their average compensation, and was eligible to select IBO.

Harbor Police:

HB 79 – Pearson

Position Taken: Support with Amendments

Systems Impacted: LASERS and Harbor Police

Provides for enrollment of new hires of the Harbor Police Department of the Port of New Orleans in the Hazardous Duty Services Plan and for administration of the Harbor Police Retirement System by LASERS.

Plan Changes:

HB 25 – Talbot

Position Taken: Neutral

HB 81 – Landry

Systems Impacted: LASERS and TRSL

Prohibits membership in LASERS for employees of Excelth hired on or after September 1, 2014. Also prohibits membership in TRSL of certain employees.

HB 38 – Pearson *Position Taken:* Support

Systems Impacted: LASERS, TRSL, and LSERS

Changes retirement eligibility for **new hires** on or after July 1, 2014, (excluding the Hazardous Duty Services Plan) to five years of service at age 62.

HB 40 – Pearson *Position Taken:* Oppose

Systems Impacted: LASERS

Zeroes out the Experience Account after payment of the July 1, 2014, COLA. Any funds remaining in the Experience Account shall be applied to the Original Amortization Base.

HB 80 – Miller *Position Taken:* Oppose

Systems Impacted: State, Statewide, and Harbor Police

Provides relative to investments, setting specific allocation limits, and prohibiting leverage in purchase of direct real estate.

HB 86 – Ivey

Position Taken: Support with Amendments

Systems Impacted: State Systems

Changes the allocation investment earnings in excess of the LASERS actuarially assumed rate of return.

New Funds:

HB 88 – Barrow

Position Taken: Neutral

Systems Impacted: State Systems

Constitutional Amendment that establishes the Seniors' Supplement Fund consisting of certain nonrecurring revenue. Monies in the fund shall be used to pay occasional supplemental payments to retirees and beneficiaries of state retirement systems.

HB 90 – Barrow

Position Taken: Neutral

Systems Impacted: State Systems

Requires occasional supplemental payments to retirees and beneficiaries of state retirement systems from funds available in the Seniors' Supplement Fund.

Bills continued on page 3

Bills continued from page 2

SB 3 – Guillory

Position Taken: Support, insofar as it reduces UAL

Systems Impacted: State Systems

Creates the State Retirement Fund to be funded with proceeds of a transaction assessment on gaming. Monies in the fund shall be allocated each fiscal quarter (33.9 percent to LASERS) to pay down the UAL of the System and to fund the Experience Account. Authorizes a transaction assessment on each game authorized by the Louisiana Gaming Control Law not to exceed three cents per game or transaction.

SB 22 – Guillory

Position Taken: Support, insofar as it reduces UAL

Systems Impacted: State Systems

Creates the State Retirement Fund to be funded with five percent of revenue generated by taxes, fees, and assessments related to the legalization of marijuana. Monies in the fund shall be allocated each fiscal year (37 percent to LASERS) to pay down the UAL of the System and to fund the Experience Account.

Miscellaneous:

HB 83 – Johnson

Position Taken: Neutral

Systems Impacted: LASERS

Removes the increase in insurance payments for Hazardous Duty Plan members who transfer service and retire with an unreduced benefit.

SB 26 – Guillory

Position Taken: Neutral

Systems Impacted: State Systems

Provides for the assessment of employer contributions to fund projected non-investment related administrative expenses for each of the state retirement systems.

New Chair and Vice Chair Elected to Board



*Shannon Templet,
Board Chair*



*Kathy Singleton,
Vice Chair*

The LASERS Board of Trustees unanimously elected Shannon Templet and Kathy Singleton as new Chair and Vice Chair, respectively, at its February meeting.

Shannon Templet, Director of the State Department of Civil Service, will lead the LASERS Board as Chair. Templet has served as an active member Trustee since



Another Great Year for RSEA Tour

Winter weather conditions in north Louisiana delayed the start of the annual RSEA tour by a couple of days, but the LASERS staff hit the road with the first stop in Alexandria. Each year LASERS participates in the statewide chapter meetings by presenting information to both active and retired members of RSEA in Shreveport, Monroe, Alexandria, Lake Charles, Lafayette, Baton Rouge, Covington, Houma, and New Orleans.

LASERS Executive Director Cindy Rougeou, Deputy Director Maris LeBlanc, and Assistant Director Trey Boudreaux addressed retirement legislation that could impact state employees and retirees if passed in the current 2014 Legislative Session. They also covered other topics of interest to RSEA members, including the success of LASERS investment returns. LASERS staff distributed packets of information and answered retirement questions.

The Office of Group Benefits, Great-West Financial, and various members of the House of Representatives and Senate also spoke on the statewide tour.

RETIREE WORKSHOP

Register Online:

<http://tinyurl.com/Register-Workshop>

When:

July 16, 2014, 9:00 a.m - noon

Where:

LASERS, 4th floor Board Room,
8401 United Plaza Blvd., Baton Rouge LA 70809

2012. She most recently chaired the Management Committee of the LASERS Board.

Kathy Singleton, retired from the Department of Social Services, will serve as the new Vice Chair. Singleton previously served three terms as an active member, holding the positions of Board Chair and Chair of the Management and Legislative Committees. She is beginning her second term as a retired member.

The Board MEMO

Shannon Templet, 2014 Board Chair



When I became a Trustee in 2012, I was asked the question, “What is the most important aspect of the LASERS Mission?” After giving it considerable thought, my response was: “to maintain stable and

sound financial investment practices in order to provide current and future benefits to members.” After serving two years on the Board, my answer has not changed.

In February, I was elected Chair of the Board, and I look forward to working with my fellow Trustees and LASERS staff to preserve the System for current and future retirees. As the State Civil Service Director, I know the importance of our public servants, both active and retired, and my

commitment to members is a large part of why I wanted to serve on the LASERS Board.

In the 2014 Legislative Session, there are a number of retirement bills that relate to the granting of cost-of-living adjustments (COLAs). A full COLA has not been given to eligible retirees since 2008. For several years now, the LASERS Board has identified, as a significant issue, the adoption of a reliable and dependable mechanism for the funding and granting of COLAs for eligible System retirees. The Board’s positions on the COLA bills as well as other legislation can be found on pages 1-3. The LASERS website is updated frequently throughout the Session, so check often for the progress on these bills through the legislative process. Also, if you have not yet signed up for Member Connection, I urge you to do so. Sign up on the LASERS website to receive current updates on issues of importance to you and your retirement system.



Build YOUR Tips from
NEST EGG Great-West Financial®

Finding Extra Dollars

If you are finding it hard to start setting aside hard-earned cash for a better retirement, here are a few suggestions. Keep in mind that these tips are strictly voluntary and have no direct connection to your LASERS defined benefit retirement plan. These suggestions could enhance your nest egg and help build a supplement to your regular retirement.

PERK UP YOUR RETIREMENT SAVINGS

Rather than a daily investment in a brand-name caffeine buzz, consider a trip to the office coffee pot and redirect the money you save to your retirement coffers.

EATING OUT CAN EAT AWAY AT YOUR NEST EGG

By trimming back on the frequency of your restaurant visits—and by doing something as simple as bringing your lunch to work—you can free up extra dollars each pay period, which you can put toward your retirement.

SAVE YOUR RAISES, BONUSES, AND TAX REFUNDS

Put that extra cash to work for you by investing at least some of it in your supplemental or deferred compensation retirement account.

GIVE YOURSELF SOME CREDIT BY USING CREDIT WISELY

By limiting your credit card use, buying only what you can afford, and avoiding late fees and costly cash advances, you can invest the savings in your supplemental or deferred compensation retirement account—where you can earn interest for yourself, not your credit card company.

PAY YOURSELF FIRST

Your supplemental or deferred compensation retirement plan helps you follow one of the most important savings principles: pay yourself first. The money you contribute to this retirement account comes out of your paycheck pre-tax. That means you can pay yourself before you pay anyone else.

CUT MONTHLY EXPENSES

By shopping around to get a better deal on such basic things as car insurance or your mortgage rate, you may be able to uncover additional money that can be redirected into your supplemental or deferred compensation retirement plan each month.

For more information, visit www.louisianaDCP.com or call 800.937.7604

The complete brochure is available for download on the LASERS website at *Build Your Nest Egg* under the *About LASERS* tab.

Public Service in the Blood

Genie Powers, Suzanne Sharp, and Mallory Sharp share a familial bond, but they also have something else in common. Each is employed by the State of Louisiana with a combined total of 77 years of service between them. Genie and Suzanne are sisters, and Suzanne is Mallory's mother.

With 40 years of service, Genie is the Deputy Secretary for the Department of Corrections (DOC). While a student at LSU majoring in Criminal Justice, she worked as a full-time correctional officer with the Louisiana Training Institute (LTI). After graduation in 1974, her first professional position in the Division of Probation and Parole was as a field Officer supervising a caseload. In time, Genie was promoted to director of this division, which was both challenging and rewarding. She shared, "With all of my years in law enforcement, I have had the opportunity to help people and work with them to better their lives. We have a moral responsibility to care for offenders and to do our best to rehabilitate those 85 percent that come back to their communities, but we also have a responsibility to the citizens of Louisiana to protect the public." In her current position, Genie works closely with DOC Secretary James LeBlanc, oversees the legal division of the agency, victim services, internal auditing and policy development, participates in the legislative process, and continues to supervise the Probation and Parole division.

Suzanne is the Director of Procurement and Contracts in DOC. Her career began in 1980, after graduating from Southeastern Louisiana University with a degree in marketing. She currently has 34 years of service and has worked in five different divisions within DOC throughout her career. Suzanne describes her responsibility in corrections as "lying with the business side of the agency." She is charged with the procurement of supplies, equipment, and services for offenders in state prisons as well as those under the supervision of Probation and Parole. Suzanne explained, "I find the best products possible to do the job at the right price. Maximizing the dollars is critical. DOC is an amazing organization with many complexities, and I feel accountable for my work and a responsibility to the state and taxpayers. That is part of being a committed civil servant." Suzanne likened managing DOC resources to her personal budget, using practicality and frugality in the decision-making process, all while working within the statutes that govern procurement and contracts. She is also proud when DOC procurements have a positive impact on the local economy.



l-r: Suzanne Sharp, Mallory Sharp, and Genie Powers

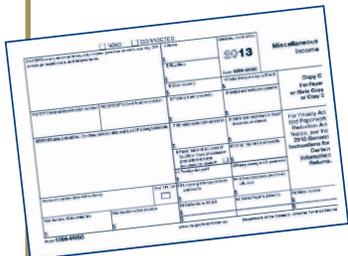
Mallory says with a smile that she "grew up hanging out at state offices." During high school and college, she worked at DOC as a human resources intern, and then moved to public relations after realizing it was a better fit for her. In her senior year at LSU, she interned with LASERS in the Public Information Division (PID), and after completing her degree in Mass Communications with a minor in Criminology, was hired as a full-time Public Information Officer. Mallory has been with LASERS three years. As part of the communications team in PID, she manages LASERS social media platforms; Facebook, Twitter, the eBeam blog, and the Member Connection email system. Time-sensitive information is sent to members, often during legislative sessions, and Mallory expressed the importance of being accurate and efficient in utilizing these tools. She elaborated, "I never realized the impact that retirement legislation could have on members until I came to LASERS. Now, I am helping members become aware of their rights through our communications efforts and that's a great position to be in." Mallory is currently working on a new initiative, LASERS MINT (Millennials Investing Now for Tomorrow), to help young members begin their retirement journey. Read more about this initiative on page seven.

Genie, Suzanne, and Mallory are all accomplished in their respective fields. Each expressed a desire to be at the top of their game for the benefit of their co-workers and the people they serve.

Both Genie and Suzanne commented that "corrections gets in your blood." Adding Mallory to the mix and taking the analogy one step further, public service is in the blood of this family.

To read the complete story on these women and to benefit from their words of wisdom to up-and-coming state employees, visit the LASERS website.

Questions to Ask Yourself:



Did You Receive Two 1099-Rs?

If so, there may be a simple explanation. Multiple 1099-R forms are required if you receive more than one “type” of distribution as defined by the IRS regulations or if you receive payments for more than one “Payee Type;” for example, as a retiree, a DROP participant, beneficiary, survivor, or alternate payee.

Your clue to finding out why you received more than one 1099-R is to look at the distribution code located in Box 7 on the form. The most common reason for multiple forms is that a retiree turned 59½ within a tax year. To understand the 1099-R distribution codes and see a detailed explanation of the boxes on the 1099-R form, visit the LASERS website. On the home page, click on the FAQs tab, select Retired Members FAQs, then scroll to the questions on the 1099-R.

If you have questions, contact a Member Services representative at 800.256.3000.

Have Questions Regarding Medicare?

Counselors with the Louisiana Department of Insurance Senior Health Insurance Information Program (SHIIP) can assist you with:

- Medicare Eligibility
- Preventative Services
- Medicare Cost-Savings Programs

Visit www.lidi.la.gov/SHIIP or call 1.800.259.5300 for more information.

Are you Staying Connected with LASERS?

LASERS social media and Member Connection email service is your trusted source for personal and direct communications impacting your retirement as-it-happens. Emails include notifications with links to important, time-sensitive legislative information such as meeting notices and the status of retirement bills.

Links to our respective social media accounts and more information on the Member Connection email service can be found at www.lasersonline.org.

Do You Know Which Retirement Plan You Are In?

LASERS administers more than 20 different retirement plans, so if you are confused about which plan you are in, there are several different ways to find this information:

- Check your LASERS Annual Statement under the *Service Credit History* box.
- Access Member Self-Service on the LASERS website, www.lasersonline.org, and click on *View Account Summary* or *View Account History* on the Welcome Member page. You may also click on Annual Statement in Self-Service for this information.

Knowing your plan is important because your retirement eligibility and other details vary depending on this information.

Do State Employees Have the Right to Address Members of the Legislature?

Find out the facts by reading the Louisiana Department of State Civil Service General Circular Number 2014-002, found on their website, www.civilservice.louisiana.gov.

June Benefit Payments:

Does your Bank make Weekend and Holiday Deposits Available Immediately?

June benefit payments are scheduled to be paid on the first of the month. Since June 1 is a Sunday, receipt of your funds can be affected by whether you receive a check or direct deposit and your financial institution’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.



What's Your Excuse?

An Introduction to *MINT: Millennials Investing Now for Tomorrow*

Written by Mallory Sharp

The idea of a person in their 20s or 30s putting a fixed amount of money away for future retirement can conjure up a large range of reasons for why it is just not possible right now. Honestly, I might be the queen of a few of them. These reasons might include: *I just started an entry-level job; I can't afford it right now. I need to save for other things first such as a new house, a new car, and my children's college fund. I might receive an inheritance in a few years. There's plenty of time for me to save down the road. I'll start a separate retirement account when the market improves. If I ever leave state service, I can just live off of what I contribute to Social Security.* However, these "reasons" are actually excuses.

Your LASERS retirement is a defined benefit plan, which means that your contributions to LASERS are helping to fund a benefit that is guaranteed to you monthly once you retire. Although the LASERS defined benefit plan offers a guaranteed retirement benefit, the average retiree's benefits are hardly lucrative. The average regular state retiree's monthly benefit is \$1,956 (\$23,472 annually).

LASERS has approximately 44,000 active members, and over 10,000 are between the ages of 20 and 35. If you are one of these 10,000 members, we want to help you be aware of ways you can supplement your LASERS retirement benefit.

As millennials, we should at least be educating ourselves on retirement in general, and learning more about what it means to be a LASERS member. Do you know which LASERS retirement plan you are in? Do you know how a LASERS benefit is calculated? Do you contribute to the Louisiana Deferred Compensation Plan? Do you understand how a cost-of-living adjustment (COLA) works once you are retired? (To see answers for some of these frequently asked questions, visit the [FAQs page](#) on our website.)

The reality is that the future is unknown. And in actuality, a millennials' age is a major advantage when it comes



Employee of the 4th Quarter, 2013

Debbie Kleinpeter

Employed with LASERS for 17 years, Debbie Kleinpeter serves in the heart and center of this agency: Document Management. The majority of LASERS mail, documents, and publications are, in some way, touched by Debbie and her team.

Debbie is the LASERS microfilm expert, searching through thousands of documents on several microfilm tapes to find the one missing piece of the puzzle to make a member's file complete, often thinking outside the box to locate the obscure.

She makes weekly runs for all divisions to drop off documents at any number of state agencies, whether the sun is shining or the sky is falling, and she does so with a smile. She will quickly rearrange her schedule for emergency deliveries, and has offered several alternatives to streamline the delivery process.

She is quick to volunteer to help her coworkers, and you can be sure she will be smiling and offering her wealth of knowledge on the workings of the Document Management section.

Debbie is an invaluable resource to Member Services and to LASERS.

to saving for retirement, not an excuse. We should take control of our retirement future by starting now, rather than waiting on the "ifs" to come to fruition.

You may think you do not have the money to put away for a supplemental retirement plan, but LASERS would like to help you see it differently. Stay tuned for details on how you can learn more about LASERS new initiative called "*MINT: Millennials Investing Now for Tomorrow.*" In the meantime, please follow us on [Facebook](#) and [Twitter](#) for MINT announcements. You may also check the [LASERS website](#) for more information as it becomes available. To share your ideas or questions about MINT, please email me at msharp@lasersonline.org.



From the Desk of
Cindy Rougeou

LASERS Executive Director

2013 was a great year at LASERS. In terms of investments, the System realized a market return for the calendar year of 15.8 percent. The current market value of the fund based on this performance exceeds \$10 billion. In a four-year period, LASERS increased the fund value by over \$4.6 billion while paying about \$1 billion a year to beneficiaries.

Our 2013 actuarial return was 14.05 percent, taking into account that the calculation method changed to a five-year smoothing period from the previous three-year smoothing. Over the past five years, LASERS has posted a 13.8 percent market return, with a 30-year average actuarial return of 8.21 percent. Perhaps the best gauge of our success is that **LASERS has been nationally recognized as one of the top 10 performing public pension systems in the nation for the past decade.** I must recognize the professional and talented investments staff at LASERS who manage one-third of the fund internally, saving \$9 million this year alone in management fees, enough to fund the salaries of our entire staff.

So with all of this success from investment returns, the question comes, “Will retirees receive a COLA this

year?” My response is, hopefully. Sufficient funds are in the Experience Account to pay for a COLA of up to a 2.7 increase. However, the law provides that the COLA is limited based on the Consumer Price Index (CPI-U). The LASERS Board has therefore recommended that the legislature approve a 1.5 percent increase for eligible retirees based on the CPI-U. Because there would be additional funds remaining in the Experience Account, several legislators have introduced bills supporting a supplemental COLA. The LASERS Board supports those measures. It is important to remember that retirees cannot receive a COLA without legislative approval.

LASERS retirees and beneficiaries remain a driving force in Louisiana. In 2013, over \$1.1 billion was paid in benefits by LASERS. In turn, our beneficiaries put \$1.34 billion back into the economy of the state. Amazingly, 92 percent of LASERS retirees live in Louisiana. You and your retirement system remain a strong and reliable economic stimulus for Louisiana.

As we work through the 2014 Legislative Session, I encourage both active and retiree members to stay involved. Your participation is essential to the continued success of the System.

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