

## The LASERS Vision:

*Confidence in our service, assuring  
financial security for your future*

Summer, 2011

Volume 22, Number 2

LASERS  
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### LASERS Board of Trustees

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225.928.4265

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225.293.9170

**Sen. D.A. "Butch" Gautreaux**  
985.380.2433

**Beverly Hodges**  
225.379.1615

**Hon. John Kennedy, State Treasurer**  
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**Rep. Kevin Pearson**  
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**Lori Pierce**  
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**Sheryl M. Ranatza**  
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**Kathy Singleton**  
225.222.6567

## Candidates Set for 2011 Board of Trustees Election

Seven candidates have qualified for the 2011 LASERS Board of Trustees Election. Three active member seats on the board are up for election. Two must be filled by retired members.

The names of all the candidates are listed on page 4. To review their qualifications and platforms, go to the LASERS website, [www.lasersonline.org](http://www.lasersonline.org), and click on the tab on the right side of the page about the Board of Trustees 2011 Election.

Trustees serve four-year terms. No trustee may serve more than three consecutive terms. Nine of the twelve trustees on the board are elected by LASERS members. Three serve as ex officio members. Those seats are reserved for the Louisiana State Treasurer, the Chair of the House Committee on Retirement, and the Chair of the Senate Committee on Retirement.

This year, three active candidates qualified for three active positions. On July 22, 2011, the LASERS Board of Trustees certified these candidates as winners of the active positions, eliminating the need for an election by active members.

Retirees, however, will cast their votes for two of four candidates during the fall balloting period. Voting will take

place via the Internet, telephone, or by mail beginning September 23, 2011 and ending October 28, 2011, at 4:30 PM CDT.

Election packets, including information about the voting process and candidates, will be mailed to LASERS retirees in September.

### Schedule of Election Events

<b>September 23</b>	Ballot packets mailed to members. Voting begins.
<b>October 28</b>	Votes must be received by 4:30 PM (CDT)
<b>November 2</b>	Votes tallied and verified.
<b>November 18</b>	Board certifies and authorizes publication of ballot count.
<b>January, 2012</b>	New elected Trustees receive orientation, and are sworn in.



# Acts of the 2011 Regular Session

## of the Louisiana Legislature Affecting LASERS and its Members

On retirement issues, the 2011 Session of the Louisiana Legislature may be known more for what didn't happen than what did.

Efforts to increase employee contributions by up to three percent (HB 479 and HB 530), allow an insurable interest in the lives of retirement system members (HB 386), add a new tier to the retirement system (SB 12), and change the calculation of the final average compensation for existing employees (HB 530) were all measures that did not pass.

A significant reform issue will be presented to the voters in the form of Constitutional Amendment No. 2 on the October 22, 2011 ballot. House Bill 384 by Representative Kevin Pearson and Senator Butch Gautreaux, Chairs of the Retirement Committees, would dedicate five to ten percent of state surplus funds toward reducing the balance of the unfunded accrued liability (UAL) of the LASERS and Teachers' retirement systems, if approved. The LASERS Board of Trustees supports this measure as an effective means to reduce system debt.

Air time for retirement eligibility is now available for purchase by members of LASERS with at least five years of service credit. Act 322 (Senate Bill 9 by Senator Gautreaux) allows members to purchase up to five years of air time, in one year increments. (Air time is time that a member has not actually worked). It also authorizes members who previously purchased air time for benefit computation to pay to upgrade that time for retirement eligibility. Further information, and the application form, Form 2-07 which requires a \$150 fee, are available on the LASERS website, [www.lasersonline.org](http://www.lasersonline.org). Members considering this purchase should be aware that if they purchase air time for eligibility, and retire earlier than they would otherwise qualify, they may be required to pay a higher health insurance premium. Rate schedules are available at the Office of Group Benefits website, [www.groupbenefits.org](http://www.groupbenefits.org). (See further information about this provision on page 3.)

Governor Jindal vetoed House Bill 478 which would have provided enhanced retroactive and future retirement benefits for adult probation and parole officers. This bill was opposed by the LASERS Board of Trustees.

Other legislation that impacts LASERS and its members includes:

**Act 377 (HB 377)** which addresses the accrual rate for persons elected to the legislature after July 1, 2011, who, due to prior service, are eligible for LASERS membership.

**Act 355 (HB 404)** which allows LASERS members with at least one year of service credit to purchase credit for certain federal service.

**Act 368 (HB 571)** which makes technical changes to Act 992 of the 2010 legislative session, including the following changes requested by LASERS:

- Clarifies that survivor benefits for handicapped or mentally disabled children do not cease when the child reaches 18
- Provides that a person who has participated in DROP or is a rehired retiree under Option 1 or 3 is not eligible for the Hazardous Duty Services Plan (HAZ PLAN)

- Provides that a HAZ PLAN member who does not meet eligibility under that plan may retire with 5 years at age 60 with rank-and-file benefits at the 2.5 percent accrual rate
- Provides that HAZ PLAN members may retire with an IBO and select the self-funded COLA
- Provides that a member who joins the HAZ PLAN, but does not transfer prior service, must pay any actuarial cost resulting to the system
- Clarifies that an employee who was in a hazardous duty service plan prior to 12/31/2010, who earns service in a hazardous duty position after 1/1/2011, may consider the service earned as covered by that plan

The Act also clarifies that a member with a 60 month Final Average Compensation (FAC) must work 60 months after DROP to earn a new FAC for a post-DROP supplement.

*Legislation continued on page 3*

## Impact of Act 322 on Insurance Premiums

A member who purchases air time for retirement eligibility, and retires earlier than he or she would otherwise have been eligible to retire, must pay the increase in his or her employer's insurance premium resulting from the early retirement. The increased premium must be paid until the member reaches the age at which they would have met regular retirement eligibility. The premium will be deducted from the retiree's monthly benefit and remitted to the Office of Group Benefits (OGB). Twenty years at any age actuarially reduced retirement is considered a regular retirement. Therefore, if a member has actually worked 20 years and retires (other than those in the Wildlife Plan hired after July 1, 2003 and members of the Corrections Secondary Plan) they would not pay an increased premium. Rate schedules are available at the OGB website, [www.groupbenefits.org](http://www.groupbenefits.org), by clicking on "Member" located on the left-hand side. Choose "Click here for details" in the Act 322 description.

### How Do I Decide Whether to Make an Air Time Purchase?

To assist you with making a decision as to whether you should request an air time cost calculation, please refer to examples prepared by the LASERS actuary on the LASERS website at [www.lasersonline.org](http://www.lasersonline.org). Click on the legislative banner on the right side of the page.

*Legislation* continued from page 2

**HR 80** requires House bills and joint resolutions relative to retirement be prefiled no later than 5:00 PM on the 45<sup>th</sup> calendar day prior to the first day of the regular session.

**HR 149** directs the state and statewide retirement systems to study the nature of irrevocable decisions, and to provide the legislature with solutions for allowing members and retirees to revoke certain elections under certain circumstances.

**HCR 135** directs the four state retirement systems to report to the House and Senate Committees on Retirement and the Division of Administration, prior to the convening of the 2012 Regular Session of the Legislature, the administrative and investment costs incurred by each system, and to jointly submit a report on the feasibility of combining the administrative and investment management services of the systems.

**HCR 93, HCR 94, and SCR 57** memorialize congress to review and consider eliminating the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP) which reduce Social Security benefits.



More details, are on the  
LASERS website:  
[www.lasersonline.org/bills](http://www.lasersonline.org/bills)

### WHERE DO YOU

Find the latest retirement and retirement-related legislative news?

You can find it in the eBEAM on the LASERS website:  
[www.laserebeam.blogspot.com](http://www.laserebeam.blogspot.com)

**eBEAM** LASERS News & Views

Official Weblog of the Louisiana State Employees' Retirement System

# 2011 LASERS Board of Trustees ELECTION NOMINEES

The 2011 LASERS Board of Trustees election is being conducted by a third party vendor. Election Services Corporation (ESC) of Ronkonkoma, NY has conducted over 5,000 governing board elections, including several past LASERS elections. The company won the LASERS contract in a nationwide bidding process.

We look forward to your participation in this important event. The candidates are listed below in the order in which they will appear on the ballot.

For full details on all candidates,  
go to the LASERS website:

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

## RETIRED CANDIDATES (Listed in ballot order)

Voting for the Retiree candidates will take place via the Internet, telephone, or by mail beginning September 23, 2011 and ending October 28, 2011, at 4:30 PM CDT.

- Four-Year Terms
- Two trustees to be elected



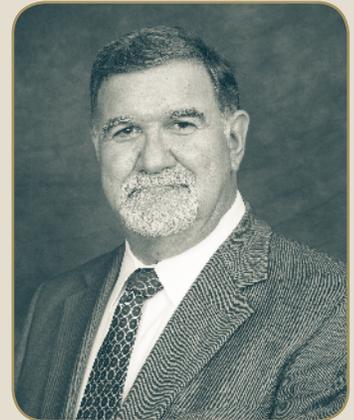
**Lorraine "Lorry" Trotter**  
Louisiana State University  
(Retired)



**Barbara McManus**  
Department of  
Social Services (Retired)



**Constance "Connie" Carlton**  
LASERS (Retired)



**Charles Castille**  
Department of Health  
and Hospitals (Retired)

## ACTIVE CANDIDATES (Listed in alphabetical order)



**Thomas Bickham**  
Department of Public  
Safety and Corrections



**Sheryl Ranatza**  
Department of Public  
Safety and Corrections



**Shannon Templet**  
Department of  
Civil Service

On July 22, 2011, the Board of Trustees certified these candidates as winners of the active positions, eliminating the need for an election by active members.

RETIRED STATE EMPLOYEES ASSOCIATION OF LOUISIANA



# RSEA Members of the Year



**Elsie J. Azare**  
Acadiana Chapter



**Maurice Edwin 'Moon' Landrieu**  
New Orleans Chapter



**Carol Lynn Jackson**  
Alexandria Chapter



**Essie M. LeBleu**  
Lake Charles Chapter



**Oliver M. Lenard**  
Monroe Chapter



**Cecil J. Melancon**  
Coastal Chapter



**Leroy Seal**  
North Shore Chapter



**Louis S. Quinn & Zylpha M. Quinn**  
(not pictured)

Baton Rouge Chapter

The Retired State Employees Association (RSEA) created its Member of the Year honors four years ago as a way to spur recruitment for the organization.

RSEA President Benny Harris, pictured on the left side of the accompanying photo, was on hand for each of the presentations during the organization's annual spring tour of the state. He is seen with Lorry Trotter, a former member of the LASERS Board of Trustees and Louis Quinn, also a former LASERS board member, who was the Baton Rouge chapter's Member of the Year. His mother Zylpha Quinn, not pictured, was also honored.

Not Pictured:  
**Judge Fred C. Sexton, Jr.**  
Shreveport Chapter



## 3<sup>rd</sup> RETIRED STATE EMPLOYEES ASSOCIATION OF LOUISIANA Annual Conference *October 4-6, 2011*

*Retirees Make a Difference*

L'Auberge du Lac Casino Resort  
Lake Charles, LA  
Reservations: 866-580-7444  
[www.ldlcasino.com](http://www.ldlcasino.com)

Golf on your own is available at the Contraband Bayou Golf Course. Phone the golf course at 337.395.7220 to book tee times.

For more information contact RSEA:  
225.930.0961 or [www.rseala.org](http://www.rseala.org)

# The Board Memo

Connie Carlton, 2011 Board Chair



The 2011 Regular Session of the Legislature was not quite as dramatic as last year's effort to convert the system from a defined benefit to a defined contribution plan. However, there were several significant challenges facing our system and our members.

House Bill 479 was an administration backed effort that would have increased employee contributions by LASERS members by 3 percent. The money raised would have been used to help balance the state budget. Fortunately, Speaker of the House Jim Tucker ruled that the measure constituted a tax, which would have required a two-thirds vote of both chambers instead of a simple majority. This bill never left the House.

House Bill 530, which was also met with defeat, would have changed the definition of "average compensation" for all LASERS members to 60 months, and the anti-spiking rate would have been changed to 15 percent.

Our Board of Trustees opposed these bills. In addition to negatively affecting LASERS members, they raised serious constitutional issues.

There are several people I would like to thank for working closely with us during the recent session. Senator Butch Gautreaux, Chair of the Senate Retirement Committee was an outspoken advocate for the state workforce. Representative Kevin Pearson authored a proposed constitutional amendment to apply future state surpluses to our system unfunded accrued liability. Representative John Bel Edwards of Amite was instrumental in recognizing and urging the House leadership and members to properly designate House Bill 479 as a new tax.

Also, LASERS Legislative Chair Charles Castille and the LASERS Executive Staff were tireless in their efforts to inform lawmakers about the serious impact of these and other proposals.

On behalf of our Board of Trustees, I am grateful to again report good news to LASERS members; the legislation that our Board supported passed and the bills that we opposed did not.

## Senator Butch Gautreaux Takes a Stand for Public Employees

The final gavel of the 2011 Regular Legislative Session stirred bittersweet feelings for Morgan City Senator Butch Gautreaux, Chair of the Senate Committee on Retirement. From first taking office in the House in 1996 as part of "The Pelican Group," a close knit delegation of lawmakers from Cajun Country, to completing his legislative tenure in June with an impassioned opposition to a plan to privatize the state Office of Group Benefits, Gautreaux has truly been a champion of public employees.

Senator Gautreaux was elected to represent Senate District 21 in 1999, which consists of part or all of St. Mary, Assumption, Terrebonne, Lafourche, and St. Martin parishes. As Chair of the Senate Committee on Retirement, he worked diligently to fulfill his constitutional duty to maintain the actuarial soundness of Louisiana's public retirement systems, sponsoring numerous bills and resolutions for the betterment of



*Senator Butch Gautreaux receives his plaque for service on the LASERS Board of Trustees from Executive Director Cindy Rougeou*

the systems. He also served as the Senate President's designee to the Public Retirement Systems' Actuarial Committee (PRSAC).

The senator is widely known for his skillful use of the written word, employing an incisive, effective, and sometimes ironic communication style to keep his constituents and fellow legislators fully informed regarding many legislative issues.

Senator Butch Gautreaux, as a result of term limits, will not be returning to the upper chamber next year. He will be sorely missed by all, opponents and friends alike.



## Employee of the Quarter Nell Dixon

What can you say about Nell that has not already been said?

A comment last month, in the Board’s Management Committee meeting, summed it up pretty well, “Nell just makes us look good.”

We would like to take all the credit for the testimony provided to the legislature down at the capitol, but truth be told, we can’t.

While we dutifully and passionately defend our system and members by providing information to the legislature, Nell is quietly sitting at her computer firing facts at us through our blackberry to solidify the talking points. She is ‘Johnny-on-the-spot,’ sometimes anticipating the next question. We would surely be treading water if she was not the devoted lifeguard on duty slinging the lifeline of facts our way.

She accomplished all of this while starting the conversion of our disaster recovery plan to the new business continuity plan.

She is a feisty Cajun from down the bayou as well as a tireless employee who is always eager to help with all things LASERS. We are happy to have her as part of the team, and this recognition is just a small token to say ‘thank you’ for a job well done.

### *Rougeou* continued from back page

Something is being done. While it may seem to some that public pension funds are no longer economically feasible, a look at the facts for LASERS shows a system that has actively participated in passing reforms that make a difference.

It should be noted that since our members do not participate in Social Security, LASERS defined benefit plan exists to provide a secure retirement for the individuals who serve an invaluable function, providing essential

## In memory of Zylpha McAdams Quinn

(standing)  
Janet Quinn Rhorer,  
Louis Quinn;  
(seated)  
Zylpha McAdams Quinn



In 1955, Zylpha McAdams Quinn went to work for the first time at the age of 52. At 108, she was the eldest retiree member of the Louisiana State Employees’ Retirement System (LASERS).

The week of July 11, Zylpha, also known as “Zip” to family and friends, passed away.

Her son, Louis Quinn, is a retired veteran public servant, who has been a longtime member of the LASERS Board of Trustees and the Board of the Retired State Employees Association (RSEA) of Louisiana. He attributes his mother’s longevity to “strength, deep faith and good genes.” Quinn and her late husband spent much of their time on the dance floor, a pastime that Quinn continued until she was 102.

Widowed for 56 years, Zylpha began working at Louisiana State University in 1955 as a relief housemother in two of the women’s dormitories. She worked for 18 years, retiring in 1973 at the age of 71.

With her passing, she leaves two children, 13 grandchildren, 29 great grandchildren, and 4 great, great grandchildren.

We salute Zylpha’s zest for life, and wish for her to know we are proud of her achievements as a mother and a role model for retirees seeking to make the most out of life.

state services to their fellow taxpayers. Maintaining a financially sound retirement system is in everyone’s best interest.

The significant pension reforms that have been underway in Louisiana will continue to make a positive difference for all of our citizens. Public pension reform is not new in Louisiana. Passage of Constitutional Amendment No. 2 on October 22 will be another major step forward in this reform process.



## From the Desk of **Cindy** **Rougeou** LASERS Executive Director

With the current concern about the economy, public pension systems are under increasing scrutiny. Our LASERS members, as well as other taxpayers, are entitled to know what is being done to improve the financial soundness of our system. In fact, there have been several legislative enactments that have or will reduce system costs and the unfunded accrued liability.

There have been increases in employee contributions. Act 81 of 1988 raised the employee contribution rate from 7 percent to 7.5 percent. Act 75 of 2005 further raised the employee rate from 7.5 percent to 8.0 percent for rank-and-file new hires. Act 992 of 2010 increased the employee rate from 11.5 percent to 13 percent for newly hired judges and increased the employee rate for most new hazardous duty (HAZ PLAN) employees.

Act 75 of 2005 also changed the final average compensation (part of the formula upon which retirement benefits are calculated) from 36 months to 60 months for new members. This Act also limited retirement eligibility for new rank-and-file hires.

Several recent constitutional amendments will have a positive impact on system costs. One requires new or

enhanced benefits to be funded over ten years with new or additional funds. Any legislative increase in system costs now requires two-thirds vote of the legislature. And on October 22, voters will have a chance to direct future surplus funds to reduce system debt.

Since the largest portion of member benefits are paid for with our investment returns, I am pleased to report that for the fiscal year that just ended in June, LASERS posted its highest market return ever; 24.3 percent. For the prior fiscal year we had a strong return over 16 percent. Even in a volatile market, LASERS has performed well because of our prudent and fiscally responsible investment management.

In comparing our investment performance with our peers nationally, for the 1-year period ending March 31, 2011, LASERS was in the top 2 percent ranking for public funds greater than \$1 billion according to Wilshire's Trust Universe Comparison Service (TUCS). TUCS is the most widely accepted benchmark for the performance of institutional assets, and represents the largest database of any peer-comparison service in the industry.

Three constitutional amendments have been passed and five major legislative reforms have been implemented to reduce both the debt and the cost of pension benefits.

*Rougeou continued on page 7*

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