

LASERS

LOUISIANA STATE EMPLOYEES'
RETIREMENT SYSTEM

Quarterly Membership Newsletter

Spring, 2007

Volume 18, Number 1

The LASERS Vision:

*To improve the quality of life of
LASERS members and their families
by increasing their financial security*



the BEAM

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Five seats open in 2007 LASERS board election

Nominations are open for five seats in the 2007 LASERS Board of Trustees election. Three of the positions are for active-member trustees. Two are for retired-member trustees.

The active-member seats are held currently by Sheryl Ranatza, Kathy Singleton, and Judge Trudy M. White. Ms. Ranatza is Deputy Warden of the Louisiana State Penitentiary. Judge White is a Baton Rouge City Court judge. Ms. Singleton retired recently from the Department of Social Services. She is ineligible to run for reelection as an active-member trustee. State law permits her to run as a retiree representative on the board.

The retired-member incumbents

are Connie Carlton and Barbara McCann. Ms. Carlton is a former assistant director of LASERS. Ms. McCann is retired from the Department of Social Services.

A potential candidate for the LASERS Board of Trustees must submit a nominating petition bearing the names and signatures of at least 25 active or retired members of LASERS, depending on whether they are running for an active- or retired-member seat. For purposes of verification, each signature must be accompanied by the last four digits of the signatory's Social Security number.

Election materials are available for download at www.lasersonline.org.

2007 LASERS Board of Trustees Election Schedule of Events

July 10 - Nominating petitions due by 4:30 p.m., CDT

July 13 - Drawing to determine candidate ballot position

September 28 - Ballot packets mailed to eligible voters

October 26 - Voting ends, 4:30 p.m., CDT

October 31 - Votes are tallied

November 16 - Board of Trustees certifies and authorizes publication of results

January 24, 2008 - Orientation for new trustees

January 25, 2008 - New trustees take oaths of office

2007 Regular Session of the Louisiana Legislature underway



The **2007 Regular Session of the Louisiana Legislature** began on April 30. What follows are summaries of bills with the potential to affect LASERS and its members. More details are available on the LASERS website at lasersonline.org.

House Concurrent Resolution 7 grants approval of a 2.5 percent cost-of-living adjustment (COLA) to the pensions of eligible LASERS retirees. An additional 0.5 percent COLA is possible, contingent on passage of SB 116. HCR7 is *requested and supported* by the LASERS Board of Trustees. [Rep. Schneider]

House Bill 439 allows members of LASERS and the Teachers' Retirement System of Louisiana (TRSL) who received emergency DROP disbursements following hurricanes Katrina and Rita to redeposit all or part of those sums. Redeposits must take place within three years of qualified disbursements. HB 439 is *sponsored and supported* by the LASERS Board of Trustees. [Rep. Doerge]

House Bill 456 continues the requirement that certain state retire-

ment systems, including LASERS, direct 10 percent of commissions on certain domestic equity trades, and 10 percent of commissions on certain fixed-income trades, to certain Louisiana broker-dealers. The LASERS Board of Trustees *opposes* HB 456. [Rep. Arnold]

House Bill 459 appropriates funds for payments against the unfunded accrued liabilities (UALs) of LASERS and TRSL. For the fiscal year ended June 30, 2008, UAL payments would total \$60 million and \$140 million for LASERS and TRSL, respectively. The LASERS Board of Trustees *supports* HB 459. [Rep. Arnold]

House Bill 468 adds the Department of Health and Hospitals to the group of agencies which are exempt from the abolition of vacant positions under the Early Retirement and Payroll Reduction Act of 2006. The LASERS Board of Trustees is *neutral* on HB 468. [Rep. Odinet]

House Bill 565 appropriates funds for payments against the initial unfunded accrued liabilities of LASERS and TRSL. For the fiscal year ended June 30, 2008, initial UAL payments would total \$34 million and \$66 million for LASERS and TRSL, respectively. The LASERS Board of Trustees *supports* HB 565. [Rep. Alario]

House Bill 580 allows certain participants in the Deferred Retirement Option Plan (DROP), whose post-DROP employment was interrupted due to hurricanes Katrina or Rita, to have this service period adjusted as though the interruptions never occurred. The adjustment does not include the period of unemployment. The LASERS Board of Trustees *opposes* HB 580 as drafted. The board is *neutral* on this measure if the bill would: limit eligibility to affected members who became re-employed

no later than August 29, 2006; create a December 31, 2007, sunset date for participation; require actuarially-calculated repayments of any funds received upon termination or layoff; and define eligible employees as those who were "involuntarily laid off or terminated" during the period in question. [Rep. LaBruzzo]

House Bill 637 appropriates funds for payments in the 2006-2007 fiscal year against the UALs of LASERS and TRSL. For the fiscal year ended June 30, 2007, UAL payments would total \$100 million each for LASERS and TRSL. The LASERS Board of Trustees *supports* HB 637. [Rep. Tucker]

House Bill 638 appropriates funds for payments in the 2007-2008 fiscal year against the UALs of LASERS and TRSL. For the fiscal year ended June 30, 2008, payments would total \$100 million each for LASERS and TRSL. The LASERS Board of Trustees *supports* HB 638. [Rep. Tucker]

House Bill 671 makes modifications to a benefit plan providing an accrual rate of 3.33 percent for certain peace officers employed by the Department of Public Safety and Corrections. The LASERS Board of Trustees is *neutral* on HB 671. [Rep. Salter]

House Bill 788 allows 618 persons who completed DROP on or before December 31, 2002, to rescind their DROP participation. The eligible individuals would be permitted to make a one-time, irrevocable decision to return to the status of an active, contributing member of LASERS. The LASERS Board of Trustees *opposes* HB 788. [Rep. Doerge]

Continued on page 3

"Session," cont'd

House Bill 808 prohibits state and statewide retirement systems from investing in certain companies who do business with prohibited nations. The measure requires state and statewide retirement systems to divest themselves of any such holdings. The LASERS Board of Trustees *opposes* HB 808, but supports HB 864 on this issue. [Rep. Lorusso]

House Bill 845 increases the benefit accrual rate for certain adult probation and parole officers to 3.33 percent. The measure provides for a fee on probation and parole cases to offset any actuarial cost to LASERS. The LASERS Board of Trustees *opposes* HB 845. [Rep. Durand]

House Bill 857 appropriates funds for payments against the initial UALs of LASERS and TRSL. For the fiscal year ended June 30, 2007, payments would total \$54 million and \$150 million for LASERS and TRSL, respectively. The LASERS Board of Trustees *supports* HB 857. [Rep. Schneider]

House Bill 864 permits a public retirement system to divest itself of holdings in a company having facilities or employees, or both, in a prohibited nation. The LASERS Board of Trustees *supports* HB 864. [Rep. Schneider]

House Bill 878 increases the benefit accrual and employee contribution rates for certain enforcement personnel employed by the Department of Revenue, Office of Alcohol and Tobacco Control (ATC). The LASERS Board of Trustees *opposes* HB 878. [Rep. Kleckley]

Senate Bill 48 creates the Public Retirement Fund in the Louisiana state treasury. The LASERS Board of Trustees *supports* SB 48. [Sen. Boasso]

Senate Bill 96 exempts certain employees from a two-year waiting period before returning to state employment as a rehired retiree. The measure places certain restrictions on the re-employment options available to any LASERS member who elected early retirement on

or after July 1, 2006. The LASERS Board of Trustees *opposes* SB 96. [Sen. Amedee]

Senate Bill 116 authorizes the boards of trustees of LASERS and TRSL to grant a supplemental COLA of 0.5 percent, beginning July 1, 2007, from their respective experience accounts for a maximum of 3.0 percent, which would otherwise be limited to 2.5 percent. The LASERS Board of Trustees *supports* SB 116. [Sen. Theunissen]

Senate Bill 127 requires a funding source for any increase in benefits for members of a state retirement system. The measure is a proposed constitutional amendment. The LASERS Board of Trustees *supports* SB 127. [Sen. Boasso]

Senate Bill 130 provides additional payments against the UALs of LASERS and TRSL. The measure also provides for COLAs for eligible retirees of those systems. The LASERS Board of Trustees *supports* SB 130. [Sen. Boasso]

THE BOARD MEMO BY KATHY SINGLETON 2007 LASERS BOARD CHAIR

The LASERS Board of Trustees has authorized, contingent on legislative approval, a 2007 cost-of-living adjustment (COLA) to the pensions of eligible LASERS retirees. The LASERS Experience Account, the funding mechanism for any COLA, contains sufficient funds for a three-percent increase. The actual amount of the COLA depends upon the Consumer Price Index-Urban. Authorization from the legislature is also required before a COLA can be granted. We recognize that this is an extremely important issue to our retirees and we will keep you posted through our publications and our web site on all of the latest developments.

Be sure to visit our weblog, the *LASERS Daily Beam*, for the most current news on the progress of the 2007 Regular Session of the Louisiana Legislature, including up-to-the-minute status reports on every piece of legislation affecting LASERS and its members.

In addition to the state laws under consideration during this legislative session, your board of trustees is monitoring the progress of federal legislation relevant to the lives and livelihoods of public pension system members. One such measure is House Resolution 82, the Social Security Fairness Act of 2007.

Co-sponsored by 297 members of the U.S. House of Representatives, the Act would repeal two provisions which reduce the Social Security benefits earned by members of public pension systems. Those provisions are the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP).

Congressman Bobby Jindal is one of five members of Louisiana's House delegation to sign on to H.R. 82. He tells LASERS, "It makes no sense to punish government employees for working, and that is exactly what the GPO does. And the WEP takes supplemental income out of our teachers' earned Social Security benefits, which is not fair and sends the wrong message to our educators."

A related measure, Senate Bill 206, has 26 co-sponsors, including U.S. Senator Mary Landrieu.

LASERS Employee of the Quarter

In many ways, Carolyn Gregory is “the face of LASERS.” She is often the first and last person that our members meet when they visit us. Carolyn’s pleasant, helpful, professional manner is what earns her the honor of LASERS Employee of the Quarter for the first quarter of 2007.

In addition to assisting members and manning the phones at the LASERS front desk, Carolyn mails needed forms to members, alerts Customer Service to the special needs of walk-in clients, and has trained a virtual army of temporary personnel.

Carolyn responds to all client needs with patience and grace. She is a dependable, committed member of the LASERS team.



Carolyn Gregory

It is reassuring to all of us at LASERS to know that Carolyn is here to take care of our members and to serve them with the highest degree of professionalism.

Thanks, Carolyn, and congratulations!

Department of Civil Service creating retiree database

The Department of State Civil Service is creating a database of retirees who are interested in re-employment opportunities with the State of Louisiana. If you are interested in returning to work as a rehired retiree, visit www.civilservice.louisiana.gov for information.

As a retiree, you are subject to some limitations if you accept re-employment with a state agency. If you are a disability retiree, you are not eligible for this initiative. If you took early retirement, you must contact your Human Resources office to determine your eligibility. If you are eligible under the laws which apply to LASERS members, you will be asked to choose one of the following options:

Option 1 - Your earnings as a rehired retiree may not exceed 50 percent of your annual retirement benefit for a fiscal year. You are responsible for monitoring this earnings limitation. If your actual earnings exceed the limit, your retirement benefit will be reduced by the amount of the excess.

Option 2 - You repay all retirement benefits received since your retirement plus interest calculated at an actuarial rate and regain membership in LASERS. (Note: many retirees find this option too expensive to choose. No contributions can be made on the earnings from re-employment until all retirement benefits and interest are repaid. Also, the option selection is irrevocable as long as re-employment continues.) This option is not available if you took early retirement or participated in the Deferred Retirement Option Plan (DROP) or the Initial Benefit Option (IBO).

Option 3 - You suspend collecting your retirement benefits and become once again a contributing member

of LASERS. There is no limit on your earnings as a rehired retiree under this option. Upon subsequent retirement, your benefit will be resumed. If you work for at least 36 months, you will receive a supplemental retirement benefit. If you work for less than 36 months, your employee contributions during the period of rehire will be refunded at the termination of your re-employment.

Please discuss all options with a Human Resources representative before making any decision to return to work as a rehired retiree.

LA Citizens fee refunds available

Louisiana property owners who have been assessed Louisiana Citizens Insurance Company support fees on their insurance premiums are eligible for a refund or credit through the Louisiana Department of Revenue (LDR).

Through assessments between November, 2005, and December, 2006, the surcharges supported the increasing costs associated with LA Citizens coverage that was the direct result of recent natural disasters within our state. The massive losses following hurricanes Katrina and Rita cost LA Citizens over \$1.2 billion, which created a deficit. The LA Citizens assessments on assessable property insurance policies in Louisiana were used to partially fund this deficit.

Louisiana taxpayers are strongly encouraged to file for the LA Citizens fee credit electronically. However, manual filers may claim the credit also.

Visit www.revenue.louisiana.gov for more information about the LA Citizens insurance fee credit.

PREP Schedule - 2nd Quarter of 2007

June 6	Baton Rouge
June 13	New Orleans
June 20	Hammond
July 11	Shreveport
July 12	Monroe
July 19	Baton Rouge

New features at *lasersonline.org*

New features on the LASERS website include an informative PowerPoint presentation that provides an easy-to-understand overview of your retirement system. LASERS Executive Director Cindy Rougeou created the presentation for the Louisiana Legislature, and now makes it available to the general public on our website at www.lasersonline.org.

Complete information on the **2007 LASERS Board of Trustees** election (see our front-page article) is available for viewing and downloading on our website. If you are interested in running for a seat on the board, or if you are just interested in learning more about the election, everything you need to know is right here.

Federal law protects benefits of LASERS members on military leave

If you are a member of LASERS who is currently on extended National Guard or Reserve military duty, it is important to know how to maintain your retirement benefits. Otherwise, you could experience a suspension of contributions while you are on military leave of absence. This could result in a reduced benefit at the time of your retirement.

The federal Uniformed Service Employment and Re-employment Rights Act (USERRA) states that *any person who leaves employment for active duty in the uniformed services shall be treated as being on military leave of absence during the period of service*. This means that you have the right to return to your job when your military duty is over.

Under USERRA, you can elect to remain a member of LASERS while in the military and continue contributing to the System as a member; or if after your service you immediately return to employment, you

can purchase military service at a cost equal to what your employee contributions would have been. If you choose this option, your employer must make the contributions it would have made if you had remained an active member of LASERS. You have up to three times the length of your military service or five years, whichever is less, to make the payment. There is no interest due if paid within this period, and no actuarial liability on the part of your employer.

If you elect to go on Leave Without Pay (LWOP), you have the option of paying your own contributions. If you choose to do so, you will make the payments to your employing agency. Upon receipt of these funds, your employer will remit to LASERS both the employer and employee contributions.

If you select this option, it will be necessary to do so in writing with a signed letter or memo to your agency's Human Resources department.

Eldest member of LASERS going strong at 104

In 1955, Zylpha McAdams Quinn went to work for the first time at the age of 52. Today, at 104, she is the eldest member of LASERS.

Her son, Louis Quinn, is a member of the LASERS Board of Trustees. He says his mother, born in 1902, was a recent widow when she began working at LSU as a relief housemother in two of the women's dormitories. She worked for 18 years, retiring in 1973 at the age of 71.

"In those days," Mr. Quinn

says, "my mother and many of the other LSU employees belonged to an unfunded retirement system. Many years later, they were given the opportunity to join LASERS, which my mother did."

Zylpha Quinn, known by friends and family as "Zip," has two children, her son Louis, and her daughter Janet Quinn Rhorer.

In addition, Mrs. Quinn's large and loving family includes 13 grandchildren, 29 great grandchildren, and one *great great* grandchild.



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

FROM THE DESK OF CINDY ROUGEOU LASERS EXECUTIVE DIRECTOR



LASERS trustee and RSEA President Connie Carlton (left) with LASERS Executive Director Cindy Rougeou at an RSEA meeting in Scott, LA

The staff, management and trustees of LASERS had a wonderful time in April talking with members of the **Retired State Employees' Association**. We look forward every year to getting out of our offices and hitting the road to meet with RSEA members during the association's series of annual

Spring meetings across the state.

RSEA is an important partner in our effort to make a positive difference in the lives of LASERS members. The mission of RSEA is, "to advance the quality of life of the men and women who have given generously of their talents to the State of Louisiana and are now retired." The association's two main concerns are protecting the pension checks of retirees, and insuring that retirees have access to affordable and effective healthcare.

RSEA plays a critical role in keeping your retirement benefits secure. As a state agency, LASERS is not permitted to lobby the legislature on retirement-related measures. RSEA has no such restrictions. Darlene Richard, RSEA's executive director, works closely with the LASERS Board of Trustees to guide helpful legislation through the process, and to keep special-interest retirement bills from placing a burden on your LASERS trust fund.

During the April RSEA meetings, we were pleased to have the opportunity to speak with you about many exciting and positive developments over the past year, including the 2006 COLA, the proposed 2007 COLA, and the phenomenal investment returns that made them possible. Over the past year, The LASERS trust fund has grown to more than \$8 billion dollars, with an average return of 11.9 percent, far above the legislatively-mandated minimum return of 8.25 percent.

Your retirement system has never been stronger, and we look forward to having many more good things to report to you next year.

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