



# LASERS

Louisiana State Employees'  
Retirement System

# BEAM

Quarterly Membership Newsletter

Summer, 2005

Volume 16, Number 2

## 2005 LASERS BOARD OF TRUSTEES ELECTION

Here are the candidates for the 2005 LASERS Board of Trustees election. They appear in their order of placement on the active and retired candidate ballots, as determined by random drawing. See the article on page 2 for significant changes to the election schedule of events. Please visit the LASERS website at [www.lasers.state.la.us](http://www.lasers.state.la.us) to view the candidates' platforms and qualifications.



**Jannitta Antoine**  
Public Safety and Corrections  
Active Candidate



**Cheryl Turner**  
Social Services  
Active Candidate



**Michael L. Harris**  
Health & Hospitals  
Active Candidate



**Cynthia Bridges**  
Revenue  
Active Candidate



**Lorry S. Trotter**  
LSU Law Center  
Active Candidate



**Anne Tillman**  
Natural Resources  
Active Candidate



**Virginia Burton**  
Revenue  
Active Candidate



**Jules Nunn**  
Southeastern La. University  
Active Candidate



**Sona F. Young**  
Transportation and Development  
Retiree Candidate



**Louis S. Quinn**  
Public Service Commission  
Retiree Candidate



**Benny G. Harris**  
Public Safety and Corrections  
Retiree Candidate

For more  
information  
about the  
election visit  
the LASERS  
web site.

[www.lasers.state.la.us](http://www.lasers.state.la.us)

## Hurricane Katrina forces changes to board election

As a result of the widespread destruction caused by Hurricane Katrina and the unprecedented displacement of hundreds of thousands of New Orleans area residents, the LASERS Board of Trustees has approved a significant revision to the schedule of the 2005 board election. This change affects primarily the mailing of election ballot packets and the time frame for members to cast their votes.

For weeks after the storm struck, most mail to zip codes in areas affected by the hurricane was undeliverable. In addition, many dislocated residents found themselves without permanent addresses. It was impossible to know when they might be able to return to their homes. This situation made it difficult to create a reliable address list for voting members in the affected areas. The board of trustees, in an effort to ensure the voting rights of all LASERS members, took action and on September 30th, ratified changes to the election schedule.

Under the previous election schedule, the mailing of ballot packets was to take place on September 23, 2005. Inter-

net and telephone voting were to become available on that date as well. The voting was to conclude on October 28, with all votes tallied no later than November 2.

**Under the revised election schedule**, the mailing of ballots to LASERS members will take place on Friday, November 4. Internet and telephone voting will become available on that date. Voting concludes at 4:30 p.m., CST on Friday, December 9. Votes will be tallied no later than Wednesday, December 14. The LASERS Board of Trustees will vote on certifying the election results at its regular monthly meeting on December 16, as previously scheduled. Newly elected trustees will be sworn in at the January 26, 2006 meeting of the board, also as previously scheduled.

**If your mailing address has changed, and if you have not already submitted a Change of Address form, please do so as soon as possible. The form can be submitted online via the LASERS website. Visit the Forms & Publications page at [www.lasers.state.la.us](http://www.lasers.state.la.us).**

## Forms required for estimates

Please remember that LASERS does not allow e-mail requests for retirement benefit estimates. In order to receive an estimate, you must submit a request form. The form can be found on the "Forms" page of the LASERS web site. The form is titled "**Request for Retirement Benefit Estimate**" and can be submitted when you are within one year of retirement.

If you would like an unofficial estimate for planning purposes, visit the LASERS Benefits Calculator at:

**[www.lasers.state.la.us/calculator/estimate.asp](http://www.lasers.state.la.us/calculator/estimate.asp)**

**HAVE A QUESTION**

**ABOUT LASERS?**

**E-MAIL US YOUR**

**QUESTION! WE'LL**

**ANSWER AS MANY AS**

**POSSIBLE IN FUTURE**

**EDITIONS!**

**[thebeam@lasers.state.la.us](mailto:thebeam@lasers.state.la.us)**

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# Legislature concludes spring 2005 session

The Louisiana Legislature made several significant changes to the laws affecting LASERS and its members. Most of these measures will affect those hired on or after July 1, 2006. However, current members of LASERS will notice some immediate differences. Some measures will initiate changes for LASERS and other state retirement systems that are primarily administrative in nature.

**Act 9 of 2005** provides penalties for the failure of investment consultants and money managers to disclose certain conflicts of interest. The Act requires consultants and money managers to make semi-annual reports to each state retirement system that it serves, whether or not there are any conflicts to report. If the consultant or money manager enters into a reportable agreement during any reporting period, the report to the system must be made within seven business days.

Under Act 9, each state retirement system must provide semi-annual reports to the House and Senate retirement committees regarding any investments in companies operating or doing business with nations on an official terrorism watch list. These reports will be due by the thirtieth day of the month following the end of the quarter. The Act amends state law to allow state and statewide retirement system trustees to divest the system from holdings in any company operating in or doing business with or in these nations.

**Act 75 of 2005** increases the contribution rate for rank-and-file state employees whose membership in LASERS begins on or after July 1, 2006. The new contribution rate for those members will be 8 percent, an increase from the current rate of 7.5 percent.

Act 75 also eliminates several different retirement eligibility options. New members of LASERS will have only the option of retiring at age 60 or older with at least 10 years of service.

The Act redefines Average Compensation for

the purposes of benefit calculation. Under the new system, Average Compensation will be based on the 60 highest months of successive employment, an increase from the current measure of 36 months.

For all LASERS members, Act 75 makes a fundamental change regarding Purchase of Service, or "Air Time." Members who did not apply to purchase Air Time before July 1, 2005 will be able make such purchases apply toward benefit computation only. They will no longer apply toward retirement eligibility. Members with pending Air Time applications submitted to LASERS before July 1, 2005 may still apply their purchases toward eligibility.

For disability applicants hired on or after July 1, 2006, disability benefits will be computed as 1.8 percent of service credit. This is a decrease from the current 2.5 percent.

Act 75 changes "anti-spiking" to four years at 15 percent. Anti-spiking prevents members from increasing their Average Compensation by more than 15 percent during their last four years of employment. This is amended from the previous anti-spiking provision which limited such increases to 25 percent during the last three years of employment.

**Act 223 of 2005** provides that no person employed in a position in an unclassified health care professional employee pool for LSU Health Sciences Center medical centers shall be or shall become a member of any state retirement system governed by Louisiana Revised Statute 17:1519.6.

**Act 427 of 2005** amends state law to provide for investments through Louisiana incorporated broker-dealers with 10 percent in domestic equity and 10 percent in fixed income with a two-year sunset provision.

**Act 455 of 2005** amends state law to provide that the director of the Louisiana State University Laboratory School shall be a member of LASERS instead of the Teachers' Retirement System of Louisiana, effective July 1, 2005.



**LASERS election materials to arrive in your mailbox**

Telephone and Internet voting in the LASERS Board of Trustees Election begin November 4. On that date we will mail your paper ballot and related election materials. Watch your mailbox for the envelope. Please do not throw it away.

**LASERS introduces 'Daily Beam' blog on web site**

In recent years, the Internet has become a primary source of news and information. LASERS is proud to introduce a brand-new online information resource. **The Daily Beam** is the official LASERS weblog, or "blog" for short.

a real-time news source. The blog format allows us to deliver updates as soon as we receive any news relevant to LASERS and its members.

In order to read The Daily Beam, simply go to our web site at [www.lasers.state.la.us](http://www.lasers.state.la.us).

You will see a link which

reads "Daily Beam." Click on the link and you will be taken to the blog.

**There is no subscription necessary or any other action needed.**

We would like your feedback on The Daily Beam. **Send us an e-mail at [thebeam@lasers.state.la.us](mailto:thebeam@lasers.state.la.us).**

Remember, no subscription is required for you to begin enjoying The Daily Beam immediately.

Remember to vote in the 2005 LASERS Board of Trustees Election. Please make sure we have your current address!

**Remember: PREP Seminars require registration.**

Visit [www.lasers.state.la.us](http://www.lasers.state.la.us) to register!

**PREP SEMINAR SCHEDULE**

10/07/05	Lafayette
10/12/05	Thibodaux/Baton Rouge (Video Conference)
10/13/05	Baton Rouge
11/29/05	Baton Rouge
12/14/05	Baton Rouge

**SDP SEMINAR SCHEDULE**

10/07/05	Lafayette
10/12/05	Thibodaux/Baton Rouge (Video Conference)
10/13/05	Baton Rouge
11/29/05	Baton Rouge
12/14/05	Baton Rouge

## LASERS pensions help state, local economies

For the year ended June 30, 2005, LASERS paid over \$421 million in benefits including DROP payments. Ninety-three percent (93%), or \$394 million, was paid to Louisiana residents. Below is a list of benefits paid in each parish. LASERS pays benefits to over 27,000 retirees and beneficiaries.

These benefit payments serve not only as a source of income to retirees and beneficiaries, but they also fuel the economies in which the retirees live. As consumers, retired pension participants spend their benefits on various goods and services, thus making a direct contribution to the Louisiana economy. Increased expenditures and sales tax revenue generated by the purchases of retirees stimulate growth in the Louisiana economy.

ACADIA	\$3,160,397.61	ORLEANS	\$32,390,296.14
ALLEN	\$1,469,224.91	OUACHITA	\$13,764,071.84
ASCENSION	\$7,639,724.65	PLAQUEMINES	\$1,033,222.01
ASSUMPTION	\$881,344.47	POINTE COUPEE	\$3,303,809.27
AVOYELLES	\$5,668,236.99	RAPIDES	\$24,167,815.01
BEAUREGARD	\$1,886,983.59	RED RIVER	\$1,003,681.48
BIENVILLE	\$1,627,847.76	RICHLAND	\$2,005,987.58
BOSSIER	\$6,885,785.22	SABINE	\$1,781,586.60
CADDO	\$16,363,769.98	ST BERNARD	\$3,962,882.13
CALCASIEU	\$11,649,183.14	ST CHARLES	\$1,311,145.77
CALDWELL	\$1,828,884.96	ST HELENA	\$1,421,344.51
CAMERON	\$356,989.58	ST JAMES	\$803,028.42
CATAHOULA	\$888,608.01	ST JOHN THE BAPTIST	\$1,166,795.33
CLAIBORNE	\$1,404,603.50	ST LANDRY	\$4,282,707.46
CONCORDIA	\$1,069,646.15	ST MARTIN	\$2,531,315.12
DESOTO	\$1,174,992.17	ST MARY	\$1,053,735.33
EAST BATON ROUGE	\$85,715,674.61	ST TAMMANY	\$12,546,266.05
EAST CARROLL	\$242,633.01	TANGIPAHOA	\$12,677,900.04
EAST FELICIANA	\$8,788,753.86	TENSAS	\$478,660.99
EVANGELINE	\$2,539,193.63	TERREBONNE	\$2,936,217.17
FRANKLIN	\$2,010,665.17	UNION	\$1,445,568.75
GRANT	\$3,068,011.81	VERMILLION	\$2,670,649.19
IBERIA	\$1,979,615.62	VERNON	\$2,704,583.46
IBERVILLE	\$3,823,154.69	WASHINGTON	\$4,896,912.75
JACKSON	\$1,202,584.93	WEBSTER	\$2,799,554.44
JEFFERSON	\$22,468,635.74	WEST BATON ROUGE	\$3,301,325.78
JEFFERSON DAVIS	\$1,659,848.00	WEST CARROLL	\$675,163.29
LAFAYETTE	\$13,467,843.90	WEST FELICIANA	\$3,764,754.88
LAFOURCHE	\$4,666,667.81	WINN	\$1,195,627.46
LASALLE	\$922,800.54	OUT OF STATE	\$28,090,957.91
LINCOLN	\$6,423,267.99		
LIVINGSTON	\$16,267,069.58	<b>TOTAL</b>	<b>\$421,856,471.99</b>
MADISON	\$926,004.35		
MOREHOUSE	\$1,622,440.42		
NATCHITOCHE	\$3,937,817.48		

## LASERS Employee of the Quarter



**Greg Byrd**

Numerous accomplishments, hard work, great attitude and dedication to making LASERS a better work environment make Greg Byrd the LASERS Employee of the Quarter.

In his two years at LASERS, Greg has been an asset to the Information Technology team. He is responsible for creating bar-coded, fillable forms for the Internet. Additionally, he has also changed our method of printing monthly benefit checks.

Exhibiting unique talent and skill, Greg can be counted on in any situation to pick up the ball and run with it, which he always does with little supervision.

# **lagniappe** by Robert L. Borden, LASERS Executive Director

The LASERS investment program is firing on all cylinders!

We are pleased to announce a double-digit investment return for Fiscal Year 2004-2005. As of June 30, 2005, LASERS posted a fiscal year return of 10.2%, and a two-year and three-year return of 14.1% and 10.7% respectively. I am thrilled with the high returns LASERS has made which exceed the 8.25% target set by the legislature as well as the returns of most of the state retirement systems in the country. This is the third year LASERS has posted a positive annual return demonstrating a strong system that has overcome the market downturns caused by 9/11 and the tech market crash. LASERS assets have swelled by over \$1.5 billion during the period, now totaling \$7.1 billion.

LASERS has been scrutinized for its unfunded accrued liability (UAL) which is a result

of the payment plan set by the legislature to fund debt owed to the system since its inception in 1947. The excess returns generated from LASERS investments will ease the burden on taxpayers to fund the system and will provide funding for future cost of living adjustments for retirees.

This phenomenal performance places LASERS in the top tier among its peers nationwide.

Among the highlights: the LASERS Domestic Equity portfolio returned 9.0% for the fiscal year while the S&P 1500 was up only 7.23%; and the LASERS International Equity portfolio returned 20.1% which was 6.5% higher than the Morgan Stanley EAFE Index returning 13.6%.

LASERS will continue to maintain a well-diversified investment program to seek superior returns over the long term.

[www.lasers.state.la.us](http://www.lasers.state.la.us)

## **LASERS Board of Trustees**

Virginia Burton, Chair - (225) 219-2289  
Cynthia Bridges - (225) 219-2700  
Connie Carlton - (225) 928-4265  
Senator D.A. "Butch" Gautreaux - (985) 380-2433  
Honorable John Kennedy, State Treasurer - (225) 342-0010  
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Sheryl Ranatza - (225) 655-2031  
Representative Pete Schneider - (985) 863-3642  
Kathy Singleton - (985) 748-2067, ext. 227  
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*Assistant Director, Operations*

Robert Beale  
*Chief Investment Officer*

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*Public Information Intern*

Anna Wichterich  
*Public Information Intern*

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