

The LASERS Vision:

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



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2009 Board of Trustees Election Update

Fifteen candidates have qualified for the 2009 LASERS Board of Trustees Election. Five seats on the board are up for election. Four must be filled by active members, and one seat is for a retiree. The names of all candidates are listed inside. To review their qualifications and platforms, go to the LASERS website, www.lasersonline.org, and click on *Board Election 2009*.

Trustees serve four-year terms. No trustee may serve more than three consecutive terms. One of the active seats up for election is to fill a vacancy. That term will end in 2012 and will be filled by Susan Pappan, the only candidate to qualify for that term.

Nine of the twelve trustees on the board are elected by the LASERS membership. 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.

Voting will take place via the Internet, telephone, or by mail beginning September 25, 2009, and ending at 4:30 p.m. on October 23, 2009. Election packets, including information about the voting process and candidates, will be mailed to LASERS members.

2009 LASERS Board of Trustees Election Schedule of Events

September 25	Ballot packets mailed to eligible voters, voting begins
October 23	Voting ends, 4:30 p.m., Central Time
October 28	Ballots/electronic votes are tallied and verified
November 20	Board of Trustees certifies and authorizes publication of results
January 21, 2010	Orientation for new trustees
January 25, 2010	New trustees are sworn in

Board of Trustees Nominations

The 2009 LASERS Board of Trustees election will be conducted by a third party vendor. Election Services Corporation (ESC) of Ronkonkoma, NY has conducted over 5,000 governing board elections, including the 2007 LASERS Board Election. ESC is experienced in handling balloting for public pension plans and labor unions. 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 in the order in which they will appear on the ballot in their respective categories.

ACTIVE CANDIDATE (Two-Year Term)

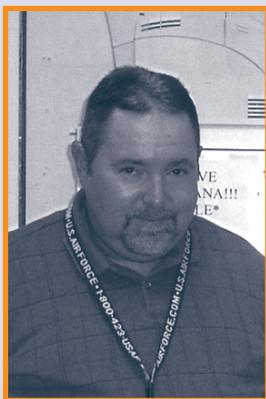
** Running unopposed - has been declared the winner to be certified by the Board of Trustees at its November 20, 2009, meeting.*



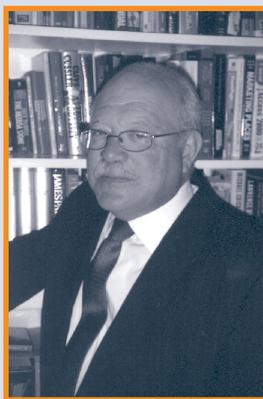
Susan Pappan
Division of Administration

ACTIVE CANDIDATES (Four-Year Term)

** Three to be elected*



Robert (Bob) Hartman
Louisiana Workforce Commission



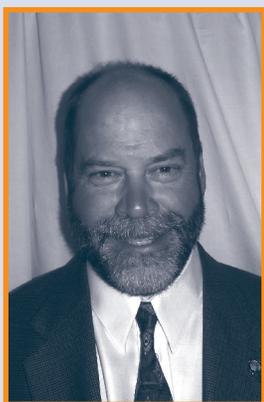
Tommy D. Teague
Office of Group Benefits



Thomas C. Bickham
Department of Public Safety and Corrections



Janice Lansing
Department of Wildlife and Fisheries



Daniel Barras
Department of Public Safety and Corrections



Beverly Palmer Hodges
Division of Administration



Lori Pierce
Department of the Treasury



Penny Rodriguez
Department of Insurance



Clarence J. Lymon
Department of Revenue

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*Board of Trustees Nominations,
continued*

RETIRED CANDIDATES (Four-Year Term)

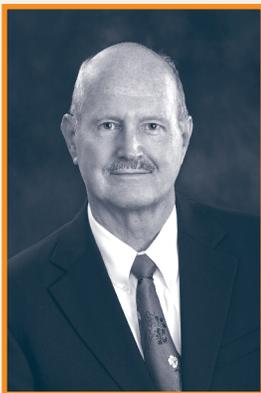
**One to be elected*



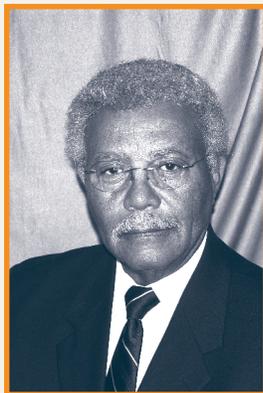
Kathy Singleton
Department of Social
Services (Retired)



Lorry Trotter
Louisiana State
University (Retired)



John D. Radford
Department of Natural
Resources (Retired)



Benny G. Harris
Department of Public
Safety and Corrections
(Retired)

Employee of the Quarter: Candace Morgan



LASERS Human Resources Analyst Candace Morgan is the Employee of the Quarter for the second quarter of 2009.

Candace is a vital member in a division that meets a wide range of needs, serving her “members”, LASERS employees, with the same exceptional service LASERS strives to give its retirees and active members.

She is poised when working with complex personnel matters, and always takes a positive approach to handling difficult situations. Candace is prompt, dependable, and thoughtful. From reminders about due dates for Performance Planning Review sessions, to answering questions about employee insurance needs, to planning meetings, and making sure the Human Resources Division maintains an open door for LASERS employees, Candace is always ready to serve with a smile and welcoming words.

A mother of three school-aged children, Candace used persistence and dedication to recently complete her MBA.

There is a saying about “Quality” that can be seen on a poster in a LASERS office. It says, “Countless, unseen details are often the only difference between mediocre and magnificent.” That describes Candace Morgan and her commitment to LASERS.

Employees’ Retirement System to disseminate plan benefit information to its members and to Louisiana policymakers under authority of La. R.S. 43:31. This material was printed in accordance with the standards of printing for state agencies established pursuant to La. R.S. 43:31. Printing of this material was purchased in accordance with the provisions of Title 43 of the Louisiana Revised Statutes.

Acts of the 2009 Regular Session of the Louisiana Legislature Affecting LASERS and its Members

In an environment of shrinking state revenues where legislators were debating ways to downsize government, LASERS was challenged on many fronts to show that the System is serving Louisiana in a cost-effective manner, serving members efficiently, and managing its investments prudently in the face of a national economic downturn. LASERS did not sponsor any bills, but played defense on several fronts. Bills to consolidate the state's four largest retirement systems (including LASERS), to suspend its Deferred Retirement Option Plan (DROP), and to direct more investment transactions to Louisiana broker-dealers were introduced, then set aside for future study. Final action was taken on a series of other measures that affect LASERS:

House Concurrent Study Resolution 1 of 2009

Requests the House and Senate Committees on Retirement to study whether new employees eligible for membership in one of the four state retirement systems, hired on or after July 1, 2010, should be enrolled in a defined contribution plan, instead of a defined benefit plan. A joint committee report is due to the full legislature before the 2010 Regular Session.

House Resolution 82 of 2009

Requests the House Commerce and Retirement Committees to jointly study and make recommendations on the cost of state retirement systems doing business with Louisiana broker-dealers.

Act 270 of 2009 (House Bill 96)

Provides for a guaranteed 2.5 percent self-funded cost-of-living adjustment (COLA) for members of state and statewide retirement systems, with an actuarial reduction of benefits. At retirement, members will be given the option to choose a lower monthly benefit with a guaranteed annual COLA. In addition to the guaranteed self-funded COLAs, members choosing this option will receive COLAs funded by the system.

Act 144 of 2009 (House Bill 586)

This bill applies to certain LASERS and TRSL (Teachers' Retirement System of Louisiana) retirees, beneficiaries, and survivors with a benefit below \$1,200 a month. It grants a minimum benefit increase for those meeting several requirements, including: having 30 or more years of service credit, being at least 60 years of age, and having been retired for at least 15 years. The increase will be \$300 a month or the amount necessary to bring the monthly benefit to \$1,200, whichever is less. These benefits will be funded for LASERS members through

excess investment earnings held in the System's Experience Account.

Act 301 of 2009 (House Bill 673)

With anticipated cost cutting at the state's public colleges and universities, this bill provides a mechanism for employees at those higher learning institutions, as well as their management boards, to continue making contributions to the retirement system for up to 30 days while furloughed as a result of budget reductions. Employees will be asked to complete an application form if they are furloughed, indicating whether they wish to take advantage of these provisions. LASERS employees should note that the statutory method of rounding service credit may lead to the same result as purchasing this time. However, members closer to retirement should consider how a furlough will impact their final average compensation calculation. **Employees should note that under IRS rules, they are limited to a total of five years of time not actually worked that can be purchased. Purchased furloughed time will count toward these limits, and may impact eligibility to purchase other credits such as "Air Time". Also, if a member has previously purchased the maximum five years, they are ineligible to contribute on any days furloughed.**

Act 299 of 2009 (House Bill 649)

Creates a special fund in the state treasury from a new \$65 processing fee charged by Probation and Parole. The purpose of this measure is to determine if sufficient funds can be generated to provide for a retroactive enhanced benefit for certain probation and parole officers.

Act 497 of 2009 (Senate Bill 296)

This measure creates a new payment schedule for the state in paying down the debt of LASERS and TRSL, resulting in more affordable annual payments. It also changes the mechanism for funding cost-of-living adjustments (COLAs), and changes the name of those increases to a Permanent Benefit Increase. It requires that retirees be age 60, instead of 55, to qualify for the Permanent Benefit Increase.

House Bill 513 of 2009 (Vetoed by Governor Bobby Jindal)

Intended as a vehicle to reduce the state workforce, this measure would have revived an early retirement option for members of LASERS, allowing a member to retire at age 50 with 10 years of service credit with an actuarial reduction in benefits. Those choosing the option would not be re-employed for two years, and their position would be abolished pending further review.

THE BOARD MEMO

Lorry S. Trotter, 2009 Board Chair



Worries about retirement security are on the minds of many these days. The situation is magnified when government leaders strive to deliver on the promises they have made to their citizens, and to their employees, as tax revenues shrink as a result of a weakening economy.

During the 2009 legislative session, we saw this concern expressed in many ways. One proposal, [HCSR 1](#)

by Speaker of the House Jim Tucker, will be particularly important to follow over the next year. It requests that the House and Senate Committees on Retirement jointly study whether new hires (hired on or after July 1, 2010) for the four state retirement systems, should be enrolled in a defined contribution plan instead of a defined benefit plan.

The value of traditional defined benefit plans, as offered by LASERS, is known to be substantial. It provides a secure, predictable retirement benefit that cannot be outlived. According to a study by the National Institute on Retirement Security (NIRS), defined benefit plans are more efficient than defined contribution plans, because they get a better bang for the buck. For example, NIRS reports "DB (defined benefit) plans achieve greater investment returns as compared to DC (defined contribution) plans based on individual accounts. Superior returns can be attributed partially to lower fees that stem from

economies of scale. Also, because of professional management of assets, DB plans achieve superior investment performance as compared to the average individual investor."

This study also found that defined benefit plans are a more efficient use of taxpayer dollars. "Our analysis indicates that the cost to deliver the same level of retirement income to a group of employees," NIRS concludes, "is 46 percent lower in a DB plan than it is in a DC plan." The review adds that savings can be found by pooling risks, diversifying investments, and superior investment returns.

Louisiana is not alone in this debate, but we can be prepared by educating ourselves about the issue. For more information about the NIRS study, go to www.nirsonline.org. A report on the legislative review of defined benefit vs. defined contribution is due before the next regular legislative session which begins in March of 2010.

Expedite Your Benefits

You can assist LASERS in promptly paying your monthly benefit upon your retirement by having all necessary documents on file. LASERS needs a copy of your birth certificate and social security card, to verify your eligibility. The same documents are needed for your beneficiaries.

If you have been married, and widowed or divorced, marriage certificates, death certificates, and judgments of divorce must be on file.

It is not necessary for you to wait until you are ready to retire to provide these necessary documents. They can be submitted to LASERS through the Human Resources personnel at your agency at any time. Please ensure that all documents submitted include your social security number so that they can be imaged into your member record.

When your retirement or DROP application is submitted, you may need to provide a Spousal Consent Form, depending on the option you choose, and an Authorization for Direct Deposit of your retirement benefits. If you are entering DROP, you must submit a form to authorize the rollover of your account.

You will not receive your retirement benefit until LASERS has received these documents.

As always, if you have questions about your benefits, please call our Member Services Division at 225-922-0600 or 1-800-256-3000.

From the Desk of Cindy Rougeou

LASERS Executive Director

Before the hazy days of summer tempt us to forget all the hard work that was done during this year's annual legislative session, we at LASERS would like to extend a special thanks to the legislative leaders who have continued to support our System in challenging times.

When the session began in April, we were faced with several major retirement initiatives. They included a bill to consolidate the state's four retirement systems, a bill to suspend the Deferred Retirement Option Plan (DROP), and a bill to make permanent a pilot program to direct a percentage of investment trades to Louisiana broker-dealers. The LASERS Board of Trustees opposed all three measures, providing information to lawmakers that illustrated our position that these proposals would not improve the efficiency or financial soundness of the System.

In the end, all three bills were set aside. Even so, we anticipate future debate on many of these issues, as well as a new study about the potential of a defined contribution plan, rather than our defined benefit plan, for new hires.

By the time the final gavel went down June 25th, there were several bills that made it through the process that strengthen LASERS and support its membership. [HB 586 \(Act 144\)](#) by Minden Representative Jean Doerge reaches out to certain retirees, beneficiaries and survivors who fall below the federal poverty line. It provides a minimum benefit increase for those with 30 or more years of service credit, who have been retired for at least 15 years, and who are at least age 60. These retirees will receive a monthly increase of either \$300 or the difference between their current monthly benefit and \$1,200, whichever is less.

And, [HB 96 \(Act 270\)](#) by Slidell Representative Kevin Pearson provides as a new retirement option, a "self-funded" annual 2.5 percent cost-of-living adjustment (COLA) with an actuarial reduction of benefits. It would be payable to retirees age 55 or older, and be effective on their anniversary date each year.

The chairman of the Senate Committee on Retirement, Morgan City Senator Butch Gautreaux, joined forces with Lafayette Representative Joel Robideaux, chairman of the House

Committee on Retirement to gain approval of a new plan to address retirement system debt with [SB 296 \(Act 497\)](#). This proposal changes the payment schedule for the state in an effort to make the payments on the debt more affordable, and therefore less of a financial burden on the state. These debt payments are crucial for the ongoing financial soundness of our system. The bill also raised the bar for granting cost-of-living adjustments (COLAs) for our retirees. However, both legislative leaders have committed to work with the System over the upcoming year to develop a more dependable method for granting COLAs. We recognize the importance of COLAs to our retirees, and will work diligently in this endeavor.

We will continue to keep you posted on these efforts, and on the continuing discussions arising from the legislative study resolutions. These are all serious issues with long-term implications. As always, we will seek to provide a sound retirement plan for our members through prudent management and exceptional service.