

LASERS

Louisiana State Employees'
Retirement System

Quarterly Membership Newsletter

the *i*BEAM
the LASERS Beam Interactive

The LASERS Vision:

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

Winter, 2010

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ACT 992

Act 992 of the 2010 Legislative Session went into effect January 1, making substantive changes to the four state retirement systems. The Act creates three plans within LASERS for new employees hired on or after January 1, 2011:

- Rank-and-File
- Judges
- Hazardous Duty

Under the new law, rank-and-file includes: court officers, law clerks, governor, lieutenant governor, legislators eligible to be enrolled, treasurer, clerk and sergeant-of-arms of the House, and secretary and sergeant-of-arms of the Senate.

Retirement eligibility for LASERS members is impacted by Act 992 as follows:

- No changes to Pre-Act 75 rank-and-file or to the current specialty plans.
- Effective January 1, 2011, Act 75 rank-and-file eligibility is:
 - 5 years service at age 60
 - 20 years service at any age, actuarially reduced

- Act 992 rank-and-file and Act 992 Judges retirement eligibility is:
 - 5 years service at age 60
 - 20 years service at any age, actuarially reduced

Survivor benefits for Act 992 rank-and-file members and Act 992 Judges are significantly different from those provided to employees hired before 2011.

Employees in hazardous duty positions who were hired prior to January 1, 2011, will have the option of remaining in their existing plan or joining the new Hazardous Duty Services Plan created by Act 992. This includes those employees who were previously categorized as rank-and-file employees but serving in hazardous duty positions such as campus police, hospital security, and other positions having the power to arrest, holding a commission, and P.O.S.T.-certified to carry weapons.

For the most up to date information about Act 992, please go to the LASERS website at www.lasersonline.org and click on the Act 992 banner.



Employee of the Quarter:



Deede Hawkins

Deede Hawkins is a difference maker. She continues to find innovative ways to make the LASERS Document Management Center first class. Deede submitted a proposal detailing the benefits of purchasing postal equipment versus renting it. By purchasing this equipment, LASERS saves over \$1,500 per month as well as tens of thousands of dollars over the life of the equipment. Thanks to Deede, LASERS now owns the postal equipment.

She continuously monitors every aspect of Document Management and makes changes when necessary. As a result of her scrutiny, she realized that LASERS was paying for a Post Office box that was not being used. She recommended that it be closed and, as a result, is saving LASERS even more money.

Deede strongly promotes a team atmosphere within Document Management. Recently, LASERS was contacted by another agency who requested a tour of our Document Management Center. Deede gladly arranged this, and received some well-deserved compliments from the participants. This goes to show you that with exceptional staff like Deede leading the way, LASERS has become the agency that others aspire to be.

Congratulations, Deede!



Form 1099-R for 2010

Form 1099-R for 2010 was mailed to retirees by the last week of January. Please allow up to two weeks for delivery. If you have not received it by February 7, or if you need to request a duplicate copy or report an error, please call LASERS at 225-922-0600 or 1-800-256-3000. You can also access your 1099-R information online through LASERS Retired Member Self-Service once this form has been mailed. Should you have questions regarding the information on your 1099-R, we suggest that you contact your tax advisor.

Tax Change Involving Benefits

In December of 2010, Congress passed the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 which replaced the Making Work Pay tax credit. The legislation caused many retirees to notice a reduction in their January 2011 benefit payment as a result of the December 31 expiration of the tax credit.

The new law also calls for a two percent reduction in Social Security withholding, which does not apply to benefit payments.

In addition to posting a notice of the change on its website, LASERS fielded many questions from retirees about the change to their benefit. Because of the late notice of the congressional action on the elimination of the tax credit, it was impossible to get the word out to retirees any earlier than December.

As always, LASERS encourages retirees to review their withholding annually and, if necessary, request a change by filling out a new form W4-P which can be found on our website, www.lasersonline.org.

LASERS Commitment to Customer Service

- In FYE 2010, LASERS staff answered over 82,000 phone calls and counseled more than 6,300 members in person.
- Our Retirement Education Division held 113 seminars, provided individual counseling to 185 members through 19 individual counseling sessions, taught three Comprehensive Public Training Program classes, and offered two retiree workshops. LASERS has staff members who tour the state to counsel members, retirees, and agency representatives through benefits fairs, conferences, general sessions, Retirement Reference Manual workshops, individual counseling sessions, Pre-Retirement Education programs, and open forum meetings.

The Board Memo

Connie Carlton, 2011 Board Chair



The new year brings familiar challenges for the LASERS Board of Trustees. The state's budget concerns have been well publicized, with projections for

the coming fiscal year indicating, without new limits on spending, there could be a budget deficit that tops \$1.5 billion. As was true during the 2010 Regular Legislative Session, public employees and their benefits will almost certainly be under review.

Recently the board renewed a resolution to continue to address issues of critical importance to system members. Three key areas of concern have been elevated to the status of significant board issues.

They are:

1. Identification and implementation of a legislatively enacted mechanism for the funding and granting of an annual cost-of-living adjustment for eligible system retirees in a reliable and dependable manner;
2. Preservation of the defined benefit plan for current and future LASERS members; and
3. While continuing to oppose mandatory social security participation, seek the reduction or elimination of the federal offsets, the Windfall Elimination Provision and the Government Pension Offset.

Once again, LASERS will continue to work with lawmakers, providing information about the importance of these issues.

LASERS is an economic engine for Louisiana. In 2010, it paid over \$860 million in benefits and refunds. Over 90% of LASERS retirees live in Louisiana, resulting in an impact of over \$780 million on our state and hometown economies. As of June 30, 2010, the numbers show LASERS invests \$230 million dollars in Louisiana companies.

The challenges of 2011 are significant. The LASERS Board of Trustees is at all times cognizant of its fiduciary responsibility to the System to act in the exclusive interest of its members and beneficiaries. LASERS is also an important contributor to the economic health of the state.



Newly elected LASERS 2011 Board Chair, Connie Carlton, stands alongside past Board Chair, Charles Castille, and newly elected 2011 Vice Chair, Barbara McManus.



LASERS Executive Director, Cindy Rougeou presenting 2010 LASERS Board Chair, Charles Castille, a plaque of service.

2011 LASERS Board of Trustees Election

The qualifications for candidates seeking a seat on the Board are:

Every two years, LASERS members are asked to cast their ballots for candidates for the twelve member Board of Trustees. 2011 is an election year, with five seats on the board up for a vote. Nominations will open March 1 and close July 12. Votes will be cast in September and October and the results certified by the board and published in November.

Three open seats must be filled by active members, and retirees will cast their votes for two positions. If you are interested in running for the board, you can obtain a nominating petition from your agency's Human Resources Office, the LASERS website, www.lasersonline.org, or by calling LASERS.



1973 swearing in of new LASERS board members

Trustees serve four year terms. No trustee may serve more than three consecutive terms.

Six of the twelve trustees are elected by the LASERS active membership. Three are chosen by our retirees. Three serve as ex-officio members. Those seats are reserved for the State Treasurer, the chair of the House Committee on Retirement, and the chair of the Senate Committee on Retirement.

The LASERS 2011 Board of Trustees Election will again be conducted by a third party vendor experienced in handling balloting for public pension plans. LASERS members will receive election ballot packets by mail, and will be able to vote by mail, telephone, or the Internet. We look forward to your participation in this important and exciting process.

Active Candidate 2011

LASERS Board of Trustees Election

- An active member candidate must have at least 10 years of credited service with LASERS (excluding any military service credit) by the closing date for nominations, July 12, 2011.
- Each active candidate must submit a nominating petition bearing the names and signatures of at least 25 active LASERS members. Each signature must be accompanied by the last four digits of the signatory's Social Security number.
- Each petition should be accompanied by the candidate's professional photo, qualifications, and platform.

Retired Candidate 2011

LASERS Board of Trustees Election

- A retired member candidate for a position as a trustee must be retired by the closing date for nominations, July 12, 2011. The term "retired member" shall not include any person still employed by the state, including retired status under the Deferred Retirement Option Plan (DROP). A LASERS retiree who is re-employed by the state pursuant to La. R.S. 11:416 (1) or (3) is still considered a "retired member."
- Each retired candidate must submit a nominating petition bearing the names and signatures of at least 25 retired members of LASERS. Each signature must be accompanied by the last four digits of the signatory's Social Security number.
- Each petition should be accompanied by the candidate's professional photo, qualifications, and platform.

Schedule of Election Events

March 1, 2011 (1 st day in March)	Nominations Open.
July 12 (2 nd Tuesday in July)	All nominating petitions, platforms, and photos due to LASERS by 4:30 p.m. Central Time.
July 15 (Friday after 2 nd Tuesday in July)	Drawing to determine candidate positions on ballot.
September 23 (4 th Friday in September)	Information on candidates/ballots mailed to members.
October 28 (4 th Friday in October)	All ballots/electronic votes must be received by 4:30 p.m. Central Time (no faxed ballots will be accepted).
November 2 (Wednesday after 4 th Friday in October)	Ballots/electronic votes tallied and verified.
November 18 (Regular Board Meeting)	Board certifies and authorizes publication of ballot count.
January, 2012	Newly elected Trustees receive orientation and are sworn in.

Responsibilities of the Trustee

- A trustee should have knowledge of, background in, or the ability to understand and utilize investment principles and terminology for a retirement system whose current assets are \$9 billion.
- A trustee should become familiar with all applicable retirement laws in order to adequately rule on appeals submitted by members of the retirement system.
- Trustees are expected to attend all regularly scheduled meetings of the Board, assigned committee meetings, and workshops.
- Trustees must act in the sole and exclusive interest of LASERS members and retirees. Breach of fiduciary duty can result in personal liability.
- Trustees must file annual personal financial disclosure reports with the Board of Ethics detailing, among other requirements, income received from the state, political subdivisions, and gaming interests.

Pre-Retirement Education Program (PREP)

January-December, 2011

Register online, www.lasersonline.org
under "Seminars"

Seminars are held from 8:00 a.m. to 3:30 p.m.

The day a LASERS member chooses to retire is a very important date. The anticipation and planning for retirement are both exciting, and in many ways, challenging. We at LASERS look forward to helping our members put the pieces in place that will help make the transition to retirement as seamless as possible.

Signing up for a Pre-Retirement Education Program (PREP) Seminar either online or by downloading a registration form at www.lasersonline.org will help you with your retirement plan, no matter where you are in your career.

2011 PREP Schedule

(T) Tentative

DATES	CITY	LOCATION
05/12 08/11	Alexandria	LSU – Alexandria
02/24 06/23 10/27 03/17 07/28 11/17 04/28 08/25 12/14 05/26 09/22	Baton Rouge	State Police Training Academy
03/16 06/08	Hammond	Southeastern Louisiana University
08/18 10/13	Lafayette	University of Louisiana at Lafayette
08/17	Lake Charles	Business and Career Solutions Center
05/19 09/08	New Orleans	Delgado Community College
06/21 (T) 12/13 (T)	New Orleans	University of New Orleans
05/10 09/15	Monroe	University of Louisiana at Monroe
05/11 (T) 08/03 (T)	Shreveport	Louisiana State University – Shreveport
05/18 10/11	Thibodaux	Nicholls State University

LASERS Financial Reports Available



We are pleased to announce that the Comprehensive Annual Financial Report (CAFR) for the Louisiana State Employees' Retirement System for the fiscal year ending June 30, 2010, is now available. This year the improved economic environment helped our investment returns recover from last year's unprecedented market volatility.

The CAFR, along with the Summary Annual Report or Popular Annual Financial Report (PAFR) may be found on our website at www.lasersonline.org. Just click on the link "Publications & Reports," then "Annual Reports."

For the fiscal year ending June 30, 2009, LASERS has been recognized by the Government Finance Officers Association of the United States of America and Canada (GFOA) for the thirteenth consecutive year for achieving Excellence in Financial Reporting, and for the eleventh consecutive year for outstanding Achievement in Popular Financial Reporting. LASERS also received the Public Pension Coordinating Council's (PPCC) 2009 Public Pensions Standards Award in recognition of achieving high professional standards in the areas of plan design and administration, benefits, actuarial valuations, financial reporting, and disclosures to members. LASERS is proud to have received this award for the sixth consecutive year.

Do you or your family member

think you may have lost or not cashed a benefit or refund check? If so, LASERS has posted unclaimed check information on the Louisiana Department of the State Treasury's website at www.latreasury.com. You may also contact them at Toll-Free: 888-925-4127.

Groups Oppose Proposed Federal Over-Reach

State and local government organizations across the country, including the National Association of State Retirement Administrators (NASRA) and the Government Finance Officers Association (GFOA), are opposing legislation introduced in Washington D.C., HR 6484, by Representatives Devin Nunez (R-CA), Paul Ryan (R-WI) and Darrell Issa (R-CA).

The opponents argue that the proposal challenges the validity of current state and local government accounting rules and practices and mandates inappropriate federal reporting requirements on state and local governments regarding their pension costs. In addition, they assert that the legislation sets a precedent for federal intervention into areas that are the financial responsibility of, and thus have been historically regulated by, state and local governments.

The organizations urge Congress to oppose the legislation because it conflicts with existing governmental accounting standards, increases state and local government costs, and undermines investor confidence in the municipal bond markets.



LDLR
Contributing to a better quality of life

Louisiana's state Tax Filing Deadline Extended to May 16, 2011

The Louisiana Department of Revenue has announced this year's filing deadline for 2010 Louisiana Individual Income Tax Return forms is Monday, May 16, 2011.

The deadline is ordinarily May 15, but that date falls on a Sunday this year. Therefore, the filing deadline is extended to the next business day, May 16.



From the Desk of Cindy Rougeou LASERS Executive Director

With the budget challenges facing our state, many LASERS members have been, or may be impacted by layoffs. If this happens, we strongly suggest that you talk with a LASERS customer service

representative to understand how this action may affect your retirement.

Changes made in the recent legislative session may have altered your retirement and DROP eligibility. If you were first hired in state service between July 1, 2006, and December 31, 2010, (or if you had refunded prior state service and were later hired during that period of time), you were hired pursuant to Act 75 of 2005. That Act provided retirement eligibility for you at age 60, with at least 10 years service credit. That has now changed. Act 992 of 2010, provides that Act 75 hires, as well as new hires beginning January 1, 2011, now have retirement eligibility at age 60 with five years of service. Of course we continue to have an actuarially reduced retirement for our members who have at least 20 years of service credit, regardless of age.

As noted above, if you terminate employment and refund your accumulated contributions, it severs your service. Should you return to state service in the future, you would do so as a member of the new plan; Act 992.

If you are covered by Act 75, and you are considering DROP participation with 10 years of service credit at age 60, your window of opportunity to participate in DROP begins when you have 5 years of service credit at age 60, instead of 10 years. For our Act 75 members who are age 60 with 5 or more years of service credit, the window of opportunity for you to start participating in DROP began January 1, 2011. To be eligible for the full 36 month participation period you must enter DROP within 60 days of that date.

Please be advised though that DROP is not the right choice for every LASERS member. There is a widespread misperception that every eligible member should become a DROP participant. That is NOT the case. Each situation is different. Before making this decision, please make an appointment to meet with a LASERS representative.

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