

The LASERS Vision

Confidence in our service,
assuring financial security
for your future

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2016 LEGISLATIVE BILLS IMPACTING LASERS

The 2016 Regular Session of the Louisiana Legislature convened March 14. The following retirement bills were filed and would impact LASERS if passed. The positions taken by the LASERS Board of Trustees, based on the initial language of the bills, are noted below. Bill statuses will be updated on the LASERS website as the Session progresses. The 2016 Session will end June 6.

HB-14 Pearson

Replaces the Chairmen of the House and Senate Committees on Retirement with the Speaker of the House of Representatives and the President of the Senate as Trustees on each state and statewide retirement system board.

Position: Not Yet Taken.

HB 15 - Pearson

Includes non-investment related administrative expenses in calculating the required employer contribution rate.

Position: Support.

HB 20 - Foil

Places new hires of the 19th Judicial District Court in the Municipal Employees' Retirement System.

Position: Oppose; the Board is concerned about the precedent that would be set by allowing employers to choose a retirement system solely based on the employer contribution rate. There is also concern that the bill will result in a cost to LASERS since the System would no longer be receiving those employer contributions.

HB 21 - Jones

Requires changes to amortization periods for certain state retirement system debts and authorizes re-amortization of debts in specific circumstances.

Position: Not Yet Taken.

HB 32 - Jones

Authorizes a Cost of Living Adjustment (COLA) of up to 1.5 percent (based on the amount of funds available in the Experience Account) for LASERS retirees and beneficiaries and provides for the order in which credits and debits shall be applied to the Experience Account (the Experience Account will not be refilled in years when a COLA is granted).

Position: Not Yet Taken.

Bills continued on page 2

HB 33 - Jones

Authorizes the LASERS Board of Trustees to grant Cost of Living Adjustments (COLAs) without legislative approval when the COLA conditions are met. COLAs shall be based on the first \$60,000 of the retiree's annual benefit and the \$60,000 limit shall increase based on any increase in the CPI-U beginning July 1, 2028.

Position: Not Yet Taken.

HB 45 - Ivey

(Constitutional Amendment) - Modifies existing constitutional guarantees to provide that only benefits annuitized by a state retirement system will be guaranteed by the State and that the accrued benefits of members that are annuitized and calculated based on accrual rate and average compensation shall not be diminished or impaired. Current constitutional language provides that the "state shall guarantee benefits payable to a member of a state retirement system or retiree or to his lawful beneficiary upon his death." And, that "accrued benefits ... shall not be diminished or impaired."

Position: Oppose; since our members do not contribute to Social Security, our Board recognizes the importance of retirement security. In addition to being deemed a qualified plan by the IRS, the existing defined benefit plan has an extremely modest normal cost of 4 percent of pay. The Board is also aware that over the past decade, the legislature has adopted significant pension reform that, for LASERS alone, is expected to reduce costs by \$3 billion.

HB 46 - Ivey

(Constitutional Amendment) - For new hires on or after July 1, 2017, whose benefits are guaranteed by the Constitution, the member and employer shall share equally in the normal cost of the member's benefit and any Unfunded Accrued Liability (UAL) associated with an augmentation of the member's benefit.

Position: Oppose, for the reasons stated with reference to HB 45 by Representative Ivey.

HB 47 - Ivey

Includes non-investment related administrative expenses in calculating the required employer contribution rate.

Position: Not Yet Taken.

HB 48 - Ivey

Adds five members to the LASERS Board of Trustees. The members and their immediate families shall not be active or retired members of the System. Two members shall be appointed by Speaker of the House, two by the President of the Senate and one by the Legislative Auditor. The only qualification for the new members is that they shall have filed state income tax returns for the previous five consecutive years.

Position: Oppose, since it would interfere with the composition of the Board without corresponding benefit. In addition to active and retired LASERS members, there are currently four ex-officio members of the Board; the Chairs of the Senate and House Retirement Committees, the State Treasurer and the Commissioner of Administration. Additionally, all members of the Board are tasked with fiduciary duty that requires them to act solely in the best interest of the members.

HB 49 - Ivey

Rather than a set rate, contribution rates for new hires on or after July 1, 2017, shall be calculated each year to 50 percent of the normal cost, plus that year's amortization payment of any Unfunded Accrued Liability (UAL) associated with benefit augmentations, plus that year's amortization of overpayment or underpayment of employee contributions. Change is contingent upon passage of a constitutional amendment.

Position: Oppose; the Board recognizes that members who obtain refunds would be repaid funds that should be applied to the Unfunded Accrued Liability (UAL). It could also result in a member paying the UAL of another member, for no corresponding benefit, thereby constituting a tax. The Board also noted that since members would be unsure of the amount of their contribution they would be unsure of their amount of compensation.

HB 50 - Ivey

Creates a new retirement plan with tiered accrual rates for new hires on or after July 1, 2018.

Position: Oppose, for the reasons stated with reference to HB 45 by Representative Ivey.

HB 51 - Ivey

Requires that the LASERS Board of Trustees select an actuary from a list of at least three firms approved by the Legislative Auditor.

Position: Oppose, since it would interfere with the Board's constitutional authority and would create a conflict of interest for the Legislative Auditor.

HB 52 - Ivey

Adds four members to the Public Retirement Systems Actuarial Committee (PRSAC) - the Chairman of the House Committee on Retirement, or his designee, and an additional member appointed by that Chairman, and the Chairman of the Senate Committee on Retirement, or his designee, and an additional member appointed by that Chairman.

Position: Oppose, because it would change the nature of PRSAC from an actuarial committee to a policy committee.

HB 62 - Ivey

Sets minimum employer contribution rate of 20 percent if the System is less than 100 percent funded or if the System reaches 100 percent funded status and the funded ratio later drops below 90 percent, and creates a funding deposit account.

Position: Neutral.

HB 63 - Ivey

Requires that one hour of annual training for members of the LASERS Boards of Trustees be conducted by the legislative auditor's office.

Position: Oppose; the LASERS Board has no opposition to receiving training from the Legislative Auditor and the Auditor has been invited to speak at the upcoming LAPERS Conference. It should also be noted that the Board is currently statutorily required to attend 16 hours of educational training in the areas of fiduciary duty and ethics, investments, laws, rules, regulations, and actuarial science. As such, the Board would oppose HB 63 only insofar as it is duplicative and unnecessary.

HB 64 - Jones

Quarterly investment reports submitted to the House and Senate Committees on Retirement shall be accompanied by a list of each investment held by the System and the performance of each such investment over the reported quarter and since inception.

Position: Not Yet Taken.

HB 65 - Ivey

Creates a new hybrid retirement plan for new hires on or after July 1, 2018.

Position: Oppose, for the reasons stated with reference to HB 45 by Representative Ivey.

HB 66 - Ivey

Creates a new hybrid retirement plan for new hires on or after July 1, 2017.

Position: Oppose, for the reasons stated with reference to HB 45 by Representative Ivey.

HB 78 - Pearson

Requires the executive director of each of the state and statewide retirement systems to file annual personal financial disclosure statements.

Position: Neutral.

SB 2 – Peacock

Authorizes a Cost of Living Adjustment (COLA) of up to 1.5 percent (based on the amount of funds available in the Experience Account) for LASERS retirees and beneficiaries.

Position: Support.

SB 5 – Peacock

Includes non-investment related administrative expenses in calculating the required employer contribution rate.

Position: Support.

SB 14 - Morrish

Adds employees of the Chenier Plain Coastal Restoration and Protection Authority to LASERS.

Position: Neutral.

SB 15 - Mills

Adds employees of the Iberia Parish Levee, Hurricane and Conservation District to LASERS.

Position: Neutral.

Bills continued on page 4

SB 18 - Peacock

Clarifies provisions created in Act 399 of 2014 regarding excess investment earnings, employer contributions, and Cost of Living Adjustments (COLAs); reduces the amortization period for actuarial gains and losses from 30 years to 20 years over the next five years; provides for the re-amortization of amortization bases once the System is 80 percent funded (rather than 85 percent funded) and for the re-amortization of such bases in the June 30, 2016 valuation and then once every five years; provides for the order in which credits and debits shall be applied to the Experience Account (the Experience Account will not be refilled in years when a COLA is granted).

Position: Not Yet Taken.

SB 20 - Peacock

Clarifies provisions created in Act 399 of 2014 regarding excess investment earnings, employer contributions, and Cost of Living Adjustments (COLAs).

Position: Support.

Did you know?

You have the option to watch retirement committee meetings in progress by visiting the Legislative website at www.legis.la.gov. On this site, you will find important information such as the schedule for retirement meetings, the names and contacts of both the House and Senate Retirement committee members, a search engine for specific laws, and procedures and rules relevant to the Legislative process.

What are your rights during the Legislative Session?

As an active state employee, you may be wondering if you have the right to address members of the legislature. Find out the facts by reading the Louisiana Department of State Civil Service *General Circular Number 2016-001*, found on their website, www.civilservice.louisiana.gov.



Cindy Rougeou speaks at Baton Rouge meeting



LASERS staff members: Maris LeBlanc, Tricia Gibbons, and Janet Harris



LASERS staff members: Janet Harris, and Carlos Jones

LASERS Officials Provide System Update to Members during RSEA Tour

LASERS executives recently completed the annual tour of the local RSEA chapters. Cindy Rougeou, Maris LeBlanc, and Trey Boudreaux visited with almost 1,500 LASERS members in Covington, Houma, Metairie, Lake Charles, Scott, Baton Rouge, Pineville, Shreveport, and West Monroe to bring them up-to-date on various issues facing the System. The LASERS presentation included potential legislative challenges expected in Baton Rouge during the 2016 Legislative Session.

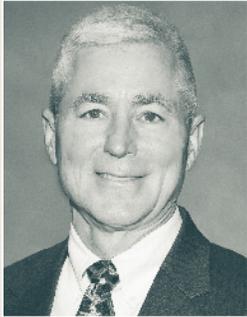
“LASERS added nearly \$1 billion to the fund last fiscal year.”

Members were reassured that LASERS is sound, sustainable, and efficient.

“We have the funds on hand to pay present benefits and a Constitutionally-protected mechanism in place to fund future benefits,” said Cindy Rougeou. She added, “The lion’s share of benefits are paid with investment earnings and LASERS added nearly \$1 billion to the fund last fiscal year.”

LASERS Board Elects Chair and Vice Chair

The LASERS Board of Trustees unanimously elected Judge William Kleinpeter and Janice Lansing as the 2016 Chair and Vice Chair, respectively, at its January meeting.



Kleinpeter, Judge for the City Court of Port Allen, will lead the LASERS Board as new Chair. He has served as an active member Trustee since 2012. Kleinpeter most recently chaired the Legislative Committee of the LASERS Board and continues to chair that committee.



Lansing, Chief Financial Officer of the Coastal Protection and Restoration Authority, was re-elected Vice Chair. She has served as an active member Trustee since 2010. Lansing previously chaired the Investment Committee of the LASERS Board.

“Judge William Kleinpeter and Janice Lansing are experienced Trustees,” said LASERS Executive Director Cindy Rougeou, “and their knowledge of the System will ensure that LASERS Benefits Louisiana in 2016 and beyond.”



Purchasing Service Credit?



The latest MINT infographic illustrates the basics of purchasing additional service credit. Head over to our website to see the full image and details of this available option for members!

If you would like to sign up for the MINT emails, go to www.lasersonline.org/mint.

Are YOU Prepared for Retirement?

Attend a PREP Seminar to learn more.

Whether you are a new LASERS member or approaching retirement, a Pre-Retirement Education Program (PREP) Seminar can provide you with essential information and tools to help you plan for one of the most important days of your life. Register for a PREP seminar online, www.lasersonline.org, under Seminars.

2016 PREP Schedule

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

DATES	LOCATION
March 22 June 14	Lafayette University of Louisiana at Lafayette Abdalla Hall 635 Cajun Dome Boulevard
March 23 April 19 May 26 June 23	Baton Rouge Louisiana State Police Training Academy Building A, Classroom 1 7901 Independence Boulevard
March 29 July 7	Hammond Southeastern Louisiana University University Center Entrance 1, Room 139 800 W. University Avenue
April 5	Shreveport LSU-Shreveport, University Center 2nd Floor, Caddo & Bossier Rooms One University Place
April 14	New Orleans University of New Orleans University Center Atchafalaya Room #208 2000 Lakeshore Drive
April 21	Thibodaux Nicholls State University Student Union, Le Bijou Theatre 906 East 1st Street
May 4	Monroe Louisiana Delta Community College Conference Center 7500 Millhaven Road
May 5	Alexandria LSU-Alexandria Brumfield Caffey Annex Ballroom 8100 Highway 71 South

Think
Navigation!

Take Out
Your Camera!

Submit
Photos to LASERS!



It really is just that simple! LASERS is encouraging members to have fun and use their creativity in our 2016 Photo Submission Contest. Your photograph may be chosen for upcoming LASERS publications.

In particular, we are looking for photos with a “navigation” theme. From boats, waterways, and more abstract ideas, your imagination can run wild all around Louisiana. Please do not include people in your photographs. Use your camera and share your images with LASERS and other members!

Photos selected for publication will credit photographers and include a short bio. The deadline for submission is June 30, 2016, and the rules and instructions can be found on the LASERS website.

LASERS Wins Award for 12th Consecutive Year

LASERS is on a winning streak for the Public Pension Standards Award (PPSA) for Funding and Administration. The 2015 award was our 12th consecutive year to be recognized by the Public Pension Coordinating Council (PPCC). The award is given to those pension systems that meet professional standards for plan funding and administration as set forth in the Public Pension Standards.



The PPCC is a confederation of the National Association of State Retirement Administrators, the National Conference on Public Employee Retirement Systems, and the National Council on Teacher Retirement.



Employee
of the
4th Quarter,
2015
Matt Casey

Since joining LASERS in October 2012, Matt Casey has made a big impact in the Member Services division. He quickly learned service credit, transferred to Deferred Retirement Option Plan (DROP), then to Service Retirement. Matt then became a Retirement Benefits Specialist, heading up the Document Management team. He is now supervisor of the DROP section.

In an effort to provide the best customer service to both LASERS members and his co-workers, Matt researched and implemented new steps in the verification of documents coming in to LASERS. Matt was hands-on with improving document quality and procedures in Document Management.

“Matt continues to be an innovative thinker who always strives for excellence!”

In addition to his regular job duties, Matt has spent the past several months learning processes in detail to create flow charts in preparation for the Optimus Project, LASERS new imaging system. Matt was the presenter for Member Services at the Optimus Bidders’ Conference held in August.

Matt served on the LASERS Wellness Committee and accepted the role of narrating the *LASERS Annual and Sick Leave: How It Affects You* video, located on the LASERS website and YouTube Channel. Matt continues to be an innovative thinker who always strives for excellence!

ATTENTION LASERS MEMBERS

JUST FOR RETIREE MEMBERS

May Benefit Payments

May benefit payments are scheduled to be paid on the first of the month. Since May 1 falls on a Sunday, receipt of your funds can be affected by whether you receive a check or direct deposit and your financial institution's rules when the first falls on a weekend or holiday.

Direct Deposits are guaranteed to be in your bank or credit union on the first day of the month. When the first falls on a Saturday, Sunday, or holiday, funds may not be available until the following business day. In these cases, please contact your financial institution directly for information on when your funds will be made available to you. That decision is made by your financial institution, not LASERS. If you have not received your direct deposit by the first business day of the month, please contact LASERS in Baton Rouge at 225.922.0600 or toll-free at 800.256.3000.

Paper checks are mailed for delivery on the first of each month. However, delivery can be delayed because of inclement weather and holidays. If you have not received your monthly benefit check by the fifth business day of the month, you should take the following steps:

1. Notify LASERS in writing that you wish to have the check reissued.
2. The written notification must include your name, Social Security number, and signature.
3. Sign up for Direct Deposit to avoid this problem in the future. Complete *Form 04-05: Authorization for Direct Deposit*, to start the process.

JUST FOR ACTIVE MEMBERS

Have You Taken LASERS New Video Training Class?

LASERS has designed a new training class, *Your Retirement System*, just for you! Whether you are a new or existing state employee, the class provides an overview of the retirement system, specific details about the benefits of LASERS defined benefit plan, and resources on how to expand your retirement knowledge. Best of all, the training only takes about 15 minutes to complete.

For instructions on how to enroll through the LEO Portal or how to view on YouTube, visit the LASERS website.

FOR ALL MEMBERS

RSEA Announcements



Frank Jobert, RSEA Director of Legislative and Governmental Affairs, will serve on the Office of Group Benefits' Policy and Planning Board, representing retired state employees. Pending confirmation from the Louisiana Senate, his term would begin July 1, 2016 and last six years.



Arlette Rodrigue, recently joined RSEA as Executive Director. She retired from LSU after a long and rewarding career, with the majority of her time in the LSU College of Agriculture. As Assistant Dean, she focused on fundraising, communications, college advancement, and alumni membership programs.

Congratulations to Frank and Arlette!

Deferred Comp Offices Relocated

The Louisiana Deferred Compensation Plan and Empower Retirement Baton Rouge office has moved to a new building. The new office address is 9100 Bluebonnet Centre Blvd., Suite 203, Baton Rouge, LA 70809.

The phone numbers remain the same: 800.937.7604 and 225.926.8082. The fax number changed to 225.296.6832.

Affordable Care Act Requirement Date Extended

Under the Affordable Care Act (ACA), employers are required to offer health insurance to all full-time employees. Employers and/or insurance carriers are required to provide a new IRS Form 1095-B or 1095-C annually to full-time employees and retirees who have health insurance through the Office of Group Benefits.

Forms will be mailed to employees/covered individuals no later than March 31, 2016. **Active Members** should contact their current agency with any questions concerning Form 1095-B/1095-C. **Retirees** should contact the agency from which they retired with any questions concerning the 1095-B/1095-C.

The forms supply information to you and the IRS about health coverage offered by your agency.

The Board MEMO

Judge William Kleinpeter
2016 Board Chair



In January, I was elected Chair of the Board after serving for the past two years as Chair of the Legislative Committee. As a 25-year member of LASERS, I have experienced firsthand the prudent management of the System and the exceptional service provided to our members. The retirement plan is more stable than ever before, with the value of assets over \$11 billion. I look forward to working with my fellow Trustees, the LASERS staff, and the Legislature to make the System even stronger in the years ahead.

In the 2016 Legislative Session, many retirement bills have been pre-filed. The Board and staff will monitor these pieces of legislation and make sure you are kept informed. Both the Senate and House Retirement Committees were restructured this year. We have some returning members, but quite a few new legislators have been assigned to both committees. Rep. Kevin Pearson returns as the Chair of the House Committee on Retirement and Sen. Barrow Peacock is the new Chair of the Senate Retirement Committee. For a complete list of Committee members, visit their websites:

<http://senate.la.gov/Retirement/Assignments.asp>

http://house.louisiana.gov/H_Cmtes/Retirement.aspx

The LASERS Board and staff provide information to the committees as retirement bills are considered during the session. **Keep in mind that LASERS cannot lobby, only provide information as requested.**

We are often asked how individual legislators voted on certain bills. As a rule, we do not report on how Representatives or Senators vote. You may find this information by visiting the Legislative website: www.legis.la.gov

1. Select the “Bills” tab at the top of the page;
2. Click on the 2016 Session;
3. Search by bill number;
4. When the bill displays on the screen, click on the “Votes” tab;
5. View the breakdown on votes.

Keep in mind that RSEA is your voice in the Louisiana Legislature and the National Congress on issues relating to retirement and healthcare. RSEA has chapters statewide and for an annual fee of \$18, you can easily join. Both active and retired LASERS members are represented by RSEA. Check out their website for more information at www.rseala.org.

LeBlanc Elected President of LAPERS



Maris LeBlanc, LASERS Deputy Director and Chief Operating Officer, has been elected President of the Board of Directors of the Louisiana Association of Public Employees' Retirement Systems (LAPERS). LeBlanc most recently served as Vice-President of the association.

LAPERS is a non-partisan, nonprofit organization that brings together individuals employed by state, statewide, and local public employees' pension plans to exchange information, ideas, and experiences with others facing the same challenges. Originally organized in 1985, today LAPERS has 22 member systems representing more than 370,000 employees and retirees and \$48.6 billion in assets.



Stay Connected with LASERS during the Session

How can you stay informed with the most up-to-date action on bills impacting LASERS during the 2016 Legislative Session? Follow us through LASERS Member Connection emails and social media!

LASERS Member Connection email service is your trusted source for personal and direct communication. If you do not already receive our emails, please sign up by going to www.lasersonline.org/email_services.

Follow LASERS on Facebook and Twitter for quick, real-time updates. On our blog, The eBeam, we post in-depth news articles and important messages relevant to LASERS and our members.

Links to our respective social media sites are located on the home page of our website at www.lasersonline.org.

LASERS Staff Spread Christmas Cheer to Retirees

LASERS retirees at Golden Age Nursing Home in Denham Springs, Louisiana received loads of Christmas cheer when Member Services staff paid a special visit. Thirty of the 162 residents at Golden Age are LASERS retirees, which is the most of any other nursing home in the area. Of the 30, eight residents were identified as those who receive the fewest visitors.

During the holiday season, Member Services collected \$375, which was used to purchase two gifts for each of the eight individuals. Gifts included pajamas, sweat suits, hair accessories, or other items specified by the residents. Wrapped packages were delivered by Allison Vince, Ashley Landry, Carla Welchez, Joey Bishop, Matt Casey, and Sarah Dillard. Supplies were also collected and distributed at the Activity Center to all residents as needed, in addition to Christmas cards.

The Golden Age residents expressed extreme gratitude and were touched by the Member Services staff's thoughtfulness. It was a true divisional effort and one that put smiles on some of our less fortunate members' faces.



Medicare Preventive Services

The Department of Insurance Senior Health Insurance Information Program (SHIIP) reminds Medicare beneficiaries to take advantage of preventive services included in Part B coverage, including:

- Bone mass measurements
- Flu, Hepatitis B and Pneumococcal shots
- Depression and alcohol abuse screenings
- Screenings for diabetes and certain cancers
- Glaucoma tests

For more information, visit www.medicare.gov.



Tricia Gibbons: New LASERS Member Services Director

LASERS recently promoted Tricia Gibbons to Director of Member Services. Gibbons has been with LASERS since 2001. Prior to joining the agency, Gibbons worked at Raymond James Financial in Clearwater,

Florida and eventually as the Social Services Director at a nursing home in Louisiana.

Gibbons has truly worked her way up the ranks at LASERS to be where she is today. She was hired at LASERS as an entry level analyst in 2001. Gibbons then held positions as supervisor of the service credit and enrollments section, supervisor over customer

service, processing manager, assistant administrator, and now Director of Member Services.

“My main goal as Director of Member Services is to develop new and innovative ways to provide excellent customer service to our members in ways that reach all generations,” Gibbons said.

Gibbons is an avid New Orleans Saints fan and enjoys spending time with family and friends. She also enjoys taking the streetcar through downtown New Orleans on a Sunday afternoon, riding bikes, walking the lakes, fishing, and gardening.

LASERS is confident that Tricia Gibbons will do an excellent job in leading our Member Services division going forward.

Meeting Member Services



Part of the LASERS mission is to provide “exceptional customer service” to our members. The LASERS Member Services Division is the backbone of our customer service effort. Headed by Tricia Gibbons, Member Services is constantly hustling and bustling to ensure that the members of LASERS are properly accommodated.

Member Services is divided into two sections: Customer Service and Operations. The Operations staff focus on calculating service credit, purchases and transfers, enrollments, calculating estimates of benefits, survivor benefit payments, processing retirement benefits for service, DROP, and disability retirees. Our Customer Service staff focus on both the internal and external customer of LASERS in the document management section, quality assurance, retirement education, answering phones, counseling members, and providing benefit information.

“From the time an employee enrolls in LASERS to the time of retirement, the Member Services team works closely to ensure the member understands his or her pension, and understands the many various options available,” Gibbons said.

The Retirement Education Department (known as the RED team) goes out into the field to educate members about all retirement options provided by LASERS. You may have already met these representatives, as they

travel throughout Louisiana counseling members and talking to agencies during seminars and workshops.

In addition to the routine duties accommodating our members, new legislation keeps Member Services exceedingly busy. Working closely with other LASERS divisions, they update computer software, member education, and reach out to membership classes that may be affected by changes. While the behind-the-scenes actions of implementing new legislation requires a lot of work, the goal is to ensure that those affected by the changes are well informed; and the division has proven successful in doing so.

“We are proud of the service we provide to the public”

Although a large division with several departments and a variety of tasks, Member Services functions as a cohesive organization to ensure our members’ needs are met.

“We are proud of the service we provide to the public, and our success is a direct reflection of the talented and dedicated employees who make up our division,” Gibbons explained. “It’s an exciting time to be a part of the Member Services Division!”

LASERS: Get the Numbers

DROP Interest Rate Approved

The rate of interest to be paid on eligible (non-Self Directed Plan) DROP accounts for the fiscal year that ended June 30, 2015, is 10.14 percent. Interest is paid on the LASERS investment earnings, which are then smoothed as part of the System's annual valuation. The Public Retirement Systems' Actuarial Committee (PRSAC) approved the interest rate at its January 21, 2016 meeting. The interest has been posted to accounts and statements have been mailed.

Participants in the Self-Directed DROP plan do not receive this interest, but participate in earnings or losses based upon the choices they have made in their investment allocations through EMPOWER Retirement. DROP annual statements have been mailed to eligible LASERS members.

To find how we are doing, visit the LASERS website.

View our investment performance by clicking on the Investments tab, then Performance. Summaries are updated monthly.

View our investments, actual asset allocation and target allocation by clicking on the Investments tab, then Asset Allocation.



BEAM ME UP

LASERS Answers Your Questions



Question: Can you explain unused leave conversion?

Answer: At the time of retirement, members are given the option of converting annual and sick leave to additional service credit or to receive a one-time, lump-sum payment. To answer this question, we will assume unused leave will be converted to service credit. With this option, your unused leave is

Days of Unused Leave	Credit
1-26	.10
27-52	.20
53-78	.30
79-104	.40
105-130	.50
131-156	.60
157-182	.70
183-208	.80
209-234	.90
235-260	One Year

converted to days by adding the hours of annual and sick leave and dividing these hours by eight, representing an eight-hour day. Any fractional day of one-half or more will be granted as one day and less than half a day will be disregarded. Your unused leave will be converted to credit based on the table at left.

If you decide to convert your unused leave to credit, it will be included in the total credit used to compute your retirement benefit. For examples and detailed information, refer to the Membership Handbook chapter, Unused Annual and Sick Leave. You may also watch LASERS video, *Unused Annual and Sick Leave: How It Affects You* for an overview.

Question: As a retiree, what happens if I go back to work for the state?

Answer: If you retired regularly and return to state service in a LASERS eligible position, you must select from one of three options when you are rehired. The selection is irrevocable, and is effective for the full term of your re-employment. If you return to state service in any capacity (such as part-time, temporary, seasonal, or job appointments), you will be considered a re-employed retiree. For details on the three options, as well as the application process, refer to the Membership Handbook chapter, Re-employed Retirees.



From the Desk of
Cindy Rougeou

LASERS Executive Director

FACTS:

- The Regular Legislative Session is in full swing.
- A new administration is at the helm of state government.
- Louisiana is facing serious budget concerns.
- There continues to be a focus on pension costs.

QUESTION: What do these facts mean for LASERS?

ANSWER: We must continue to provide accurate information about the low cost of the benefits being earned by our members, the modest benefits being received by our retirees, and the powerful and positive economic impact that LASERS provides for our entire state.

In terms of cost-effectiveness, LASERS is truly a retirement bargain! A private employer pays 6.2 percent of payroll for employees enrolled in Social Security, in comparison, the cost to the State for the benefit currently being earned by our members, (the normal cost), is 4 percent of payroll. Remember that LASERS members are exempt from Social Security, meaning they do not pay the Social Security tax and do not earn a Social Security benefit. Rather, LASERS members contribute a percentage of their pay, ranging from 7.5 to 13 percent, depending on their retirement plan, to help fund their own benefit.

One tool that we will use to educate and inform lawmakers is the LASERS 2016 *Economic Impact Study*. This year's publication reflects the stable position of the System and its positive impact on the economy of Louisiana. LASERS is not only funding the future for working state employees and retirees, but also touching citizens around the state. The \$1.17

billion that LASERS paid in pension benefits last year yields nearly \$2 billion in total economic activity for our state.

To learn more, review LASERS updated *Infographic* and *Fact Sheet* (found on our website) for information on our assets, returns, ranking, efficiencies, and other relevant numbers which demonstrate our strength and value to the state.

As a follow-up to our recent survey regarding *The Beam*, we will not be printing the newsletter in full-color. After a thorough analysis of the cost, it would not be prudent to make that change. We are continuing to make improvements to the layout as requested and hope you will be pleased with these changes.

If you have not already done so, I encourage you to sign up for the *LASERS: Your Retirement System* video training class (see page 7 for instructions).

The Louisiana State Employees' Retirement System (LASERS) distributed this document digitally. No publication costs were incurred.

In an effort to go green, we encourage you to subscribe to receive *The Beam* newsletter via email.

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