

The LASERS Vision

Confidence in our service,
assuring financial security
for your future

Board of Trustees:

Judge William Kleinpeter

2016 Board Chair
225.346.4702

Janice Lansing

2016 Board Vice Chair
225.342.4698

Thomas Bickham

225.342.6630

Virginia Burton

225.753.5527

Commissioner Jay Dardenne

225.342.7101

Beverly Hodges

225.342.8844

State Treasurer John Kennedy

225.342.0010

Senator Barrow Peacock

318.741.7180

Representative Kevin Pearson

985.646.6487

Lori Pierce

225.342.7012

Kathy Singleton

504.896.2379

Shannon Templet

225.342.2455

Lorry Trotter

225.953.3867

From the Desk of
Cindy Rougeou

LASERS Executive Director



LASERS Ranks in The Top Five of State Pension Plans

A recently released report from the PEW Charitable Trusts examined public pension plan accounting assumptions and payment schedules to see if they were holding up over time. This analysis determined whether or not established contribution policies, that are sufficient to pay down pension debt, were actually being followed. The report concludes that the top five plans in the best shape are West Virginia, New York, Indiana, South Dakota, and Louisiana.

As noted in *Governing* magazine, “The Takeaway: This metric gets at the true health of a pension plan better than the annual funding status because it tells us in which direction a pension plan is going.”

The stability of LASERS was further confirmed when our *2016 Actuarial Valuation Report* was presented for adoption to the Board of Trustees in September. The valuation awaits final approval by the Public Retirement Systems’ Actuarial Committee (PRSAC) in the coming months, but here are some of the highlights from the report:

- LASERS actuarial value of assets increased from \$11.3 to \$11.6 billion for the fiscal year ending June 30, 2016;
- The unfunded accrued liability (UAL) of the System remained stable at \$6.9 billion;
- Our funded ratio increased from 62.1 percent to 62.6 percent;
- The employer normal cost decreased to 3.93 percent (for comparison purposes, Social Security costs the employer 6.2 percent), further demonstrating that LASERS is a bargain for the State;
- And the decline of active members has slowed down.

I recently co-presented with the Teachers’ Retirement System of Louisiana (TRSL) to the Task Force on Structural Changes in Budget and Tax Policy. Our presentation highlighted legislative reforms as well as information on the UAL. We shared a chart with the Task Force, which revealed more than 34 percent of our retirees earn a benefit below \$15,000 annually; telling evidence that LASERS pension benefits are not overly generous.

Governor John Bel Edwards spoke last month at the annual Louisiana Association of Public Employees’ Retirement Systems (LAPERS) Conference and recognized that \$8 billion in pension reform had already been adopted by the Legislature. These reform measures are certainly contributing to the health of the System and we appreciate the Governor’s acknowledgement.

I would like to express my heartfelt thanks to the LASERS staff for their response to the flood. It has been amazing to see colleagues pull together during this serious time of need. Aid efforts consisted of a clothing drive, the formation of demolition crews, preparation of food, and monetary donations for the victims. Finally, despite personal losses, the staff was steadfast in their commitment to continue providing exceptional customer service to our members.

The Board MEMO

Judge William Kleinpeter
2016 Board Chair



Educational Meetings Provide Great Opportunities

Several recent workshops and seminars have provided fantastic learning opportunities for Board members and LASERS staff, as well as members and agencies. LASERS Annual Open Forum was held in August for state human resource and payroll staff who work closely with retirement. The latest news and changes affecting LASERS agencies and members were provided to more than 125 representatives. Information included updates on retirement legislation, Member Services, and Investment performance. Presentations were also given by Empower Retirement and RSEA.

The annual Louisiana Association of Public Employees' Retirement Systems (LAPERS) seminar was held in September. LASERS is one of 20 plus retirement systems in the association, which represents more than a quarter-million employees and retirees in Louisiana. LAPERS provides an opportunity for Trustees to earn required educational hours in actuarial science, ethics, and laws and regulations. Many complex topics are covered that give us new insight into our responsibilities as fiduciaries of the System. One of the highlights of LAPERS this year was a speech by Governor John Bel Edwards. In his comments, he reiterated his support for the defined benefit (DB) plan.

I would like to thank LASERS staff members Maris LeBlanc, President of LAPERS, and Trey Boudreaux and Cindy Rougeou, who served on this year's seminar committee. Thanks also to Senate Retirement Committee Chair Barrow Peacock who attended the entire conference, Senate Retirement Committee Member Beth Mizell who attended many of the sessions, and House Retirement Committee Chair Kevin Pearson who joined us for the Legislative Update.

In September, almost 50 DOTD employees attended a pilot seminar targeted to early career state employees. Those who participated were hired on or after January 1, 2011. The goals of the seminar were to provide new members of LASERS with appropriate resources and guidance to understand what their defined benefit plan is and to lay the foundation for them to become familiar with retirement terms. Topics for the presentation included service credit, purchases of service, website resources, MINT information, and other pertinent information for newer employees. Plans are underway to add more workshops to the schedule.

Around Audit: A Current Look at the LASERS Audit Services Division

The Audit Services Division is a team committed to providing professional, independent, and objective assurance and consulting services to LASERS. Led by Audit Director Ryan Babin, the division consists of an audit manager, three auditors, and one intern. The fundamental role of the department is to help ensure the staff, management, and Trustees of LASERS achieve their strategic objectives.

Audit conducts reviews in areas that are both internal and external to LASERS. Some example areas reviewed within internal operations include retirement processing, internal investment management, information technology security, and major computer system upgrades. For external reviews, these mainly cover employer agencies and investment managers. "The goal is to focus our attention and resources on areas that are of a high risk to LASERS and our members," Babin said.

Audit has a unique perspective - they see the agency as a whole. The department is able to observe the flow of information and production from one LASERS division to another. Babin described the structure of the Audit Division as more of a cohesive unit and less



of a tiered hierarchy. "Our division is a diverse group of individuals, both ethnically and culturally. We operate as a team and work well together," Babin said. Audit collaborates on most projects and seeks to leverage the right expertise and talent to complete their work in the most effective and efficient manner.

Audit measures their success when the staff finds areas of improvement in helping LASERS function better and more effectively, and seeing those suggestions and ideas come to life. Babin expressed, "When the LASERS Board, management, and staff value the work we perform and implement our recommendations to improve LASERS, that is the most rewarding aspect."

LASERS Navigation Photo Contest Winners

The LASERS navigation-themed photo contest ended June 30, with 58 photographers submitting 188 photos. We were impressed with the quality and uniqueness of the submissions. Photographs have been selected for the *Annual Investments Report*, the *CAFR* and *PAFR*, and the new LASERS website (launching early 2017). More photos will be chosen for upcoming publications/communications, so stay tuned for additional recognition of winners.

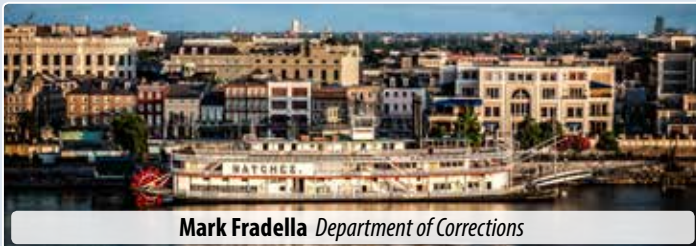
Congratulations and thanks to:



Jolene Ardoin *Division of Administration Office of Technology Services*



Malcolm Behrnes *retired from the Louisiana Workforce Commission*



Mark Fradella *Department of Corrections*



Theresa Mullins Low *retired from the Department of Children and Family Services*



Juanita Miller *Louisiana State Penitentiary at Angola.* JM



Dave Redman *spouse of Mary Lou Redman, Louisiana Supreme Court*



Jeanie Rhea *retired from the Department of Children and Family Services*



James Shaw *Department of Agriculture and Forestry*



Mark Steudlein *Division of Administration Office of Technology Services*



Robin Stevens *Louisiana Workforce Commission*



NEW WEBSITE COMING!

A newly designed LASERS website will launch in early 2017. The much-anticipated site promises to streamline member information and provide a user-friendly experience with improved functionality. Many of the changes were prompted by member feedback. Stay tuned for the big announcement through LASERS Member Connection and social media!

Meet the Faces of LASERS

Young LASERS Members Offer Insight to REACHING RETIREMENT GOALS

— Carrie Heffron, Margaret Corley, Annie Smith —

As a young professional in state government, simply learning the ropes of your job can prove to be a daunting task in itself, let alone thinking about and preparing for the eventual destination of retirement. While LASERS does provide a defined benefit for life at retirement, it is important for younger members to understand that benefits can be modest. We recommend doing all that you can throughout your career to help put you in a better place financially by the time you sign your retirement papers with LASERS. Three LASERS members - Carrie Heffron, Petroleum Analyst with the Department of Natural Resources; Margaret Corley, Attorney at the Senate Retirement Committee; and Annie Smith, Attorney for the House Retirement Committee - are each in different stages of their young careers, but are managing their journeys to retirement as if they were seasoned employees. Here are their stories.



Carrie Heffron, originally from Phoenix, AZ, began her career as a Petroleum Analyst at the Office of Conservation (OC) in 2012. "I've always had a heart for the environment, so I knew I wanted to be in a career that allowed me to be outside occasionally, or at least work to protect it," Heffron said. Her office regulates oil and gas wells in the state, from initial permitting to plugging and abandoning the wells. Her specific job is to review and approve drilling permits, manage financial aspects, and enforce the regulations of the state and manage implementation of new laws. She also reviews and answers questions regarding policy to ensure OC is enforcing regulations equally and efficiently across Louisiana. "To sum it up, we regulate the administrative processes of the oil and gas industry," Heffron stated.

Heffron, a professional engineer, spoke with excitement when

she talked about her job in communicating with all levels of state government when questions arise about conservation. "I work to collect information that the State needs, and then provide that to operators and the public alike. I interpret data and do my best to help the general public understand the technical terms and aspects, or I advise them on where to find what information they need. There are so many working parts in Conservation. I am just one of those pieces that helps regulate the oil and gas industry, and I'm proud to have that role," Heffron said.



Margaret Corley, a native of Lafayette, LA, started with the Louisiana State Senate in 2010 when she was a student worker for Senator Elbert Guillory. In 2012, she moved full time to the Senate Retirement Committee and is now an Attorney for the Senate Retirement Committee. Corley says her job in the Legislature can be defined by three categories: preparing for session, during session, and the interim. Corley spends her days preparing for session by meeting with legislators to understand their reasons for seeking to change laws, grasping the ramifications from the possible changes, gathering all the information needed, and drafting the bills. During session consists of fielding and answering questions from state employees and working with legislators as bills progress in the legislative process. Interim days are a change of pace for Corley as she attends the board meetings for the 13 state and statewide retirement systems to understand the current issues of each.

Corley expressed her passion for being a part of the engine that makes state government work. "I am a firm believer in states' rights. I feel that the work done at the state level has a direct

LASERS: Get the Numbers • LASERS Financial Reports Now Available

We are pleased to announce that the Comprehensive Annual Financial Report (CAFR) for LASERS fiscal year ending June 30, 2016, is available on the LASERS website in addition to the Summary Annual Report or Popular Annual Financial Report (PAFR). To find both documents from the home page of our website, click on the link "Publications & Videos," then "Annual Reports."

The CAFR provides a detailed financial overview of LASERS. Prepared by the Fiscal, Investments, and Public Information Divisions, this report consists of LASERS management representations concerning the System's finances as reviewed by external auditors, as well as information on annual progress made by individual divisions. The PAFR is a condensed version of the CAFR.

Investment performance summaries are updated monthly. Find out how we are doing on our website.

- ▶ View our investments actual asset allocation and target allocation by clicking the *Investments tab*, then *Asset Allocation*.
- ▶ View our investments performance by clicking on the *Investments tab*, then *Performance*.

Meet the Faces of LASERS - Continued

effect on people immediately, as opposed to the trickle-down effect in federal government, and I like being a part of that," she said.



Annie Smith, a native of Lake Charles, LA, is fairly new to state government. Smith began her position as an Attorney for the House Retirement Committee in March of 2016. Although new to the game, she picked up her responsibilities quickly. Smith likens her role in state government to the classic educational movie *School House Rock: The Bill on Capitol Hill*. Smith handles the mechanics and

technical aspects of the legislative process. "My job is to draft the bill, make sure it accurately reflects the legislator's intent, and confirm the bill is being correctly and properly amended as it progresses on the Senate and House floors." She also serves as a resource to the legislature so they can communicate better with their constituents on the subject of retirement.

Since Smith previously worked for private law firms in Baton Rouge for a few years, she has been able to see the pros and cons of each side of work. She spoke about her enjoyment of now working in the public sector. "Being a civil servant means using your talents and skills to improve the quality of life for the citizens in the State of Louisiana. That is my ultimate goal. There's really no point in working for the State if you don't have that goal in mind," Smith said.

Heffron, Corley, and Smith say that their jobs in state government surprised them, in a good way, and each have realized their respective careers is where they belong. "I thought working for the legislature would be more political. And I don't really like politics. However, after talking to an attorney friend in the legislature and hearing about her job duties, I was instantly interested when a position became available with the House." Smith said. Heffron stressed the importance for young professionals to build relationships with new and seasoned professionals in their respective fields. "Network! And never settle until you find what you love," she said.

When it comes to preparing for their future retirement, each of the women share a similar view on retirement savings as a young professional in state government. All three expressed their commitment to contributing to a deferred compensation account offered by Empower Retirement. "No matter where you are in your career, take advantage of deferred comp," Corley said. LASERS members in their 20s and 30s get the great benefit of having time on their side. The plan allows members to supplement their future LASERS retirement by saving and investing pre-tax dollars through a voluntary salary contribution, which can be as little as \$10 per pay period. Investing early makes all the difference! An infographic on the LASERS website explains the details and benefits of the Deferred Compensation Plan.

"Saving for retirement is something you can control. That is the one thing you can do now to benefit your future."

The Deferred Compensation Plan is not all that these ladies partake in as a means for supplementing their future retirement benefits. Heffron, Corley, and Smith shared that they contribute to Roth IRAs, personal savings accounts, and simply live within their means. "Being fiscally responsible at our age will prepare us for an easier retirement," Heffron said.

When asked to give advice for millennial age members in LASERS when it comes to retirement, Corley and Smith said that it is best to, at the very least, simply understand your LASERS benefit. "Meet with a financial planner, look at your spending habits, set goals for you and your family. LASERS is part of that picture. Even if you cannot afford extra savings right now, all of that information will help you make decisions to put you in a better place financially to meet your retirement goals one day," Smith said. Perhaps the best perspective is thinking in terms of taking control. Smith advised, "saving for retirement is something you can control. That is the one thing you can do now to benefit your future. Start today."

What's on the Ballot?



Election Day is Tuesday, November 8 and one constitutional amendment on the ballot could impact LASERS if passed. **Act 639**, sponsored by Representative Walt Leger, passed during the 2016 Regular Legislative Session and would create the Revenue Stabilization Trust Fund. The passage of **Constitutional Amendment #5** is required for the law to become effective.

The Revenue Stabilization Trust Fund would be funded by certain mineral revenue and certain corporate franchise and income taxes. **Act 639** may provide annual appropriations to pay the initial UALs of LASERS and the Teachers' Retirement System and funds would be allocated proportionally based on each system's initial UAL balance. The LASERS Board supported **Act 639** insofar as it would reduce debt. Learn more about **Amendment #5** on the Louisiana Legislative website, www.legis.la.gov. And remember to vote on Election Day!

ATTENTION LASERS MEMBERS

JUST FOR RETIREE MEMBERS

January 2017 Benefit Payments

January benefit payments are scheduled to be paid on the first of the month. Since January 1 falls on a holiday, 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. Your financial institution makes that determination. **Paper checks** are mailed for delivery on the first of each month.

Changes in Benefit Payment Amounts

You may notice a change in your benefit payment starting January 1 as a result of tax changes and/or changes in OGB health insurance premiums. If you receive your monthly benefit via Electronic Funds Transfer (EFT), an EFT notice will be sent reflecting any changes.

1099-R Forms

Form 1099-R for 2016 will be mailed to retirees no later than January 31, 2017. 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, you may access your 1099-R information online through LASERS Member Self-Service. To report an error or request a duplicate be mailed to you, please call LASERS at 225.922.0600 or 1.800.256.3000 and ask to speak to a representative in Member Services. Should you have questions regarding your 1099-R, we suggest that you contact your tax advisor.

A Reminder for Those with Medicare Medicare Open Enrollment is October 15 - December 7

Counselors with the Louisiana Department of Insurance Senior Health Insurance Information Program (SHIIP) can assist you with understanding your Medicare options.

Visit www.ldi.la.gov/SHIIP or call 1.800.259.5300.

JUST FOR ACTIVE MEMBERS

End-of-Year PREP Schedule Are you Prepared for Retirement?

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
November 17 December 14	Baton Rouge Louisiana State Police Training Academy Building A, Classroom 1 7901 Independence Boulevard
December 1	New Orleans University of New Orleans University Center Atchafalaya Room, #208 2000 Lakeshore Drive
December 6	Monroe Louisiana Delta Community College Conference Center 7500 Millhaven Road

FOR ALL MEMBERS

Open Enrollment Ends November 15

If you have not taken the annual opportunity to enroll in or make changes to your health plan for the upcoming plan year, the deadline is November 15. The Group Benefits Policy and Planning Board approved a rate increase for all Blue Cross and Blue Shield of Louisiana health plans offered through the Office of Group Benefits. The increase will take effect for Plan Year 2017. There are no changes to copays, coinsurance, deductibles, and out-of-pocket maximums on any of these health plans. For additional details or questions, please contact OGB Customer Service at 1.800.272.8451, Monday through Friday from 8:00 a.m. to 4:30 p.m.

RSEA Annual Membership Campaign Underway

Are you interested in a great bargain? For ONLY \$18 a year, you can join RSEA, an organization designed specifically for you. RSEA advocates for pension and healthcare benefits for active and retired Louisiana state employees. Dues are \$18. Retirees have the option to pay on the Direct Withdrawal Plan, with a monthly deduction of \$1.50. To learn more about joining and the benefits of RSEA membership, visit their website, <http://www.rseala.org/how-to-join/>.

Employee of the 2nd Quarter, 2016 Carlos Jones



appointments upon his return, has followed up on all responsibilities, and has left no string untied. His colleagues know his desk is cleared and there are no lingering matters.

As a Retirement Benefits Educator, Carlos' vast knowledge of the retirement system is proven both in-house and across the State in presentations, as he has the impressive talent to explain very detailed information in a clear, understandable, and relatable manner. He is quick to offer his assistance or to fill in for a coworker when needed, and steps in at the last minute to travel when a colleague cannot. Even with all of his duties, Carlos makes the time to document thoroughly, and consistently takes an impressive amount of phone calls in Customer Service.

Employed at the agency since 2007, Carlos Jones is always ready and willing to serve and assist - no matter if for a coworker, a LASERS member, or our Country. Not outspoken, he approaches each task with a calm and quiet determination for a successful outcome. He moves forward daily with a positive attitude no matter the challenge, and his attitude is contagious among his coworkers and the members.

First and foremost, as a member of the US Military, Carlos is called upon monthly to fulfill his duty to our country. Each year, he must also serve a longer time, usually two weeks, away from his family and the office. Prior to leaving the office each time, he has prepared in detail for any upcoming

Carlos' research skills and abilities to think ahead of any possible challenge he might face are impressive and have been noticed by several members. He has built up quite a fan base throughout the years thanks to his professionalism, patience, and awesome customer service skills. Members make it a point to note how he has helped them on his evaluations, and several return to him annually for estimates. A taste of comments received include, "I feel like I matter to you," "friendly, knowledgeable, and patient with my questions," "he gave me the best news of my life," and "he was very professional and personable, went beyond!" Carlos humbly embodies what it means to be a team player and we are fortunate he is a part of LASERS!



Question: How much time do I need to start the retirement process?

Answer: The preparations leading up to retirement can determine how smooth the process will be. The key element is to plan early and make sure the member, agency, and LASERS are on the same page. Retirement is NOT an overnight process. Optimally, a member should start planning a minimum of 12 months away from the target retirement date, as many steps need to be taken. Check with your HR staff for a helpful checklist and go to the LASERS website for additional resources. The *LASERS Lagniappe Guide to Retirement* and the *Membership Handbook* are both excellent publications. The *Countdown to Retirement* video is also available under Video Library on the website. We also encourage you to register for a PREP workshop where you will get a great overview of the retirement process.

Question: I divorced my first spouse and have remarried. Is my first spouse entitled to a portion of my retirement?

Answer: This is a potentially complex answer, and you should consult with your attorney for an answer specific to your situation. Speaking generally, Louisiana is a community property state, so any contributions to a retirement plan made during the marriage could be viewed as community property by a Louisiana court, and may be subject to division. If you have been married multiple times, your retirement benefits might be split with any of your former spouses.

Question: Is it okay to email my retirement forms and required documents to LASERS?

Answer: It depends on the document. Many LASERS forms require Social Security numbers or other highly personal information. For security reasons, it is not advisable to email these types of documents. Please DO NOT email a copy of your Social Security card or show your complete Social Security number in the text of an email or as an attachment to LASERS. Protecting your information is a top priority for us. Faxing some forms is an option. If the form may be faxed, then the fax number will be listed in the header of the form.



LASERS Shares Disaster Information

The historic thousand year flood in August brought devastation to many parts of the state. Many LASERS retired and active members were impacted, including more than 20 percent of our employees. Despite our six-day closure, LASERS staff worked to keep members apprised of operating hours and made sure that benefit payments were not affected. We shared information regarding resources for flood survivors through our website, member connection email, and social media.

The Governor's Office continues to provide a wealth of disaster assistance information on their website, <http://gov.louisiana.gov/page/resources-for-flood-victims>. The site includes links for FEMA registration, the National Flood Insurance Program, Disaster Food Stamps (DSNAP), and many others. Information is also available for the National Disaster Distress Helpline for those experiencing emotional distress due to the storm. This Toll-Free, multilingual, crisis support service is available 24/7 via telephone (1.800.985.5990) and SMS (text 'TalkWithUs' to 66746).

Employees of the 3rd Quarter, 2016 LASERS Recognizes Six Employees

During the week LASERS was closed due to area flooding, six employees who had water in their own homes performed necessary functions for LASERS. These functions included preparing internal payroll and necessary computer-related activities. The fact that these employees, while in the midst of their own personal tragedies, took time to handle these job duties deserves special recognition.

Accordingly, in lieu of naming one employee for employee of the quarter, we are recognizing these six employees for their "above and beyond" contributions to LASERS: **Dan Bowden, Jackie Brown, Greg Byrd, Brent Fitch, Amber Foster, and Barney Miller.**

It is incredibly comforting to know the dedication that all of our employees have to LASERS and our members. These six employees demonstrated this dedication in dramatic fashion!

Please join us in congratulating and thanking them.



From left to right: Dan Bowden, Brent Fitch, Amber Foster, Jackie Brown, Greg Byrd, and Barney Miller.

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.

As a subscriber, you will receive *The Beam* directly in your email inbox and no longer receive a paper copy.

Subscribing to the Paperless Beam will reduce paper usage and cut printing cost. [Subscribe to the Paperless Beam now.](#)