# AGENDA

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2017
Louisiana Legislative Session & 2017 Board of Trustees Election
2017 Retirement Legislation
Presented by Maris LeBlanc
August 30, 2017

Act 366
Clarifies that the Chairs of the House and Senate Retirement Committees may each authorize legislative staff to attend executive sessions of retirement system board meetings.

Provides that a person found in violation of the Ethics Code concerning the misuse of public funds shall not be eligible to serve on a retirement system board of trustees.
Correction of Errors

**Act 285**

Establishes a mechanism to correct a situation when an employee is enrolled in the wrong retirement system. Applies to each of the state and statewide retirement systems.

Resolutions

**SR 123** Urges and requests each state retirement system to post on its website the investment reports provided in response to a 2005 resolution.

**SCR 22** Asks Congress to repeal the WEP/GPO.

**HCR 46** Asks that the cash balance provisions found to be unconstitutional no longer be printed in the Revised Statutes.
2017 Board Election

Presented by Maris LeBlanc
August 30, 2017

Board of Trustees

**13 Member Board** consists of:

- **6 members elected by active members of system**
- **3 members elected by retired members of system**
- **4 *ex officio* members: State Treasurer, Commissioner of Administration, Senate Retirement Committee Chair, Member of House Retirement Committee appointed by the Speaker**
Elections

• Elections occur every other year
• Candidates must submit nominating petition with at least 25 signatures
• For active members, no more than two may serve from the same state agency
• Board members serve four year terms, limited to three consecutive terms
• Board members must file personal financial disclosure reports with the Ethics Board

2017 Election

Four candidates for three active seats:
• Beverly Hodges
• Janice Lansing
• Lori Pierce
• Kevin Shannahan

Two candidates for one retiree seat:
• Barbara McManus
• Kathy Singleton
2017 Election Process

• Ballots will be mailed by September 22
• Members may vote by mail, phone, or Internet
• Election administered by third party vendor
• Votes must be received by October 27
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Member Services Information
MEMBER SERVICES INFORMATION

- LASERS Emails
- Changes in Agency Personnel
- Enrollments
- Social Security Protection Act of 2004
- Optional Membership in LASERS
- Useful Tools
- Reminders
- Disability Retirement
RESPOND TO LASERS EMAILS

• LASERS analysts may email for further information when processing an applicant’s file.

• Acknowledgement of email and approximate response timeframe is very helpful.

• This could help avoid delays in processing members files, reduces follow up phone calls.

REPORT CHANGES IN PERSONNEL TO LASERS

• Keep agency contact information up-to-date in Employer Self-Service, Employer Maintenance on LASERS website, Employers, Login to My Account.

• Remove contacts that are no longer agency liaison at agencies.

• This ensures LASERS emails and Liaison Memoranda are sent to correct contacts at agencies, reducing possible delays in processing.
ENROLLMENTS

- Questions concerning Enrollments should be directed to Ask LASERS; asklasersagency@lasersonline.org

- Tools on LASERS website to assist with enrolling a LASERS member:
  - Employers Guide to Retirement
  - Agency Liaison Memos
  - Enrollment Form (ER1)
  - Employer Self-Service (ESS)

SOCIAL SECURITY PROTECTION ACT OF 2004

- Agencies must notify potential employees about effects of Windfall Elimination Provision (WEP).

- Member is required to sign Form 1945, Statement Concerning Your Employment in a Job Not Covered by Social Security, certifying knowledge of possible effects of the WEP on future Social Security benefits.

- This form should be kept in personnel file, do not submit to LASERS.
**Member Services Information**

- Employee ID is member’s Social Security number
- Employer ID is Agency number

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**WINDFALL ELIMINATION PROVISION (WEP)**

- WEP reduces YOUR Social Security benefit if you receive a state government pension, such as LASERS.

- You must have at least 10 years (40 credits) paid into Social Security to be eligible for a benefit from Social Security on your own record.

- A modified formula is used to calculate your Social Security benefit.

- Your Social Security benefit is NOT totally eliminated.

- Your LASERS benefit is NOT affected by your Social Security benefit.
WINDFALL ELIMINATION PROVISION (WEP)

• WEP does not apply if:
  • You have 30 or more years of substantial earnings under Social Security, or
  • You qualified for a LASERS retirement benefit (including an actuarially reduced benefit) before September 1, 1985, or
  • You were age 62 or disabled before 1986.

OPTIONAL MEMBERSHIP IN LASERS

When hiring a member with substantial credits in Social Security:

• Two situations in which employees can elect to opt out of LASERS:
  • Members hired at age 55 or later and have earned 40 credits in SSA, or
  • Members hired at age 60 or later.
  • Members must make selection on Form 01-01, Membership Registration* and should NOT be enrolled in LASERS, and
  • Members must provide Form SSA-7005, Earnings and Benefits Statement certifying he has met the requirements for optional membership.

*Note: The agency should not submit form to LASERS, keep in personnel file.
USEFUL TOOLS ON LASERS WEBSITE

- Video Library
- Liaison Memoranda
- Employer’s Guide to Retirement
- Frequently Asked Questions
- Forms

REMINDERS: LASERS FORMS AND APPLICATIONS

- Access LASERS website to download and print forms.
  - Forms are updated on a regular basis
  - Do not print large quantities of forms

- Retirement applications must be received at LASERS on or before the member’s termination date or DROP start date.

- Applications and supporting documents can be faxed.
REMINDER: HAZARDOUS DUTY SERVICES PLAN

Hazardous Duty Plan (HAZ Plan) members transferring time in from another LASERS retirement plan:

• HAZ Plan members applying for retirement should complete transfer for prior service into HAZ Plan prior to terminating employment.
  • Retirement cannot be effective until the HAZ Plan transfer is completed.
  • Completing transfer after date of termination will cause member to be out of state service.
  • Could cause member to be ineligible for leave payment, or greater reduction in benefit if member retires with actuarially reduced benefit.

REMINDER: HAZARDOUS DUTY SERVICES PLAN

Hazardous Duty Positions – Hired Prior to January 1, 2011, and Transfers into Hazardous Duty Plan:

IMPORTANT NOTICE:
Increase of Health Insurance Premium

• If a member of an existing plan transfers into HAZ Plan and retires with 12 years at age 55 or 25 years at any age, then the member will pay a permanent increase in his health insurance premium.

• If a member of an existing plan transfers into HAZ Plan and retires with 20 years at any age, actuarially reduced, then the member will not pay increase in health insurance premium.
**REMINDER: BENEFICIARY DESIGNATIONS**

- Ensure member enters beneficiaries in the correct section of *Retirement Application and Designation of Beneficiary* form.
  - Form 01-06, *Designation of Beneficiary*
  - Form 06-01A, *Application for Retirement*
  - Form 06-01B, *Application for Retirement IBO*
  - Form 09-01, *Application for DROP.*

**REMINDER: BENEFICIARY DESIGNATIONS**

- Active Member Beneficiary:
  - Primary Beneficiaries
  - Contingent Beneficiaries

- Retirement Benefit Beneficiary:
  - Complete if submitting *Retirement, Retirement with IBO, DROP, or Disability Application,* or
  - Updating current Maximum or Option 1 beneficiaries.
REMINDER: BENEFICIARY DESIGNATIONS

• DROP or IBO Account Beneficiary:
  • Complete if naming or updating DROP or IBO account beneficiary.

• Submit all three pages of Form 01-06, Designation of Beneficiary.

REMINDER: DIVORCE DECREES

• A certified, true copy of member’s divorce decree is required if member marks divorced on the Retirement Application.
REMINDER: APPLICATION FOR SURVIVOR BENEFITS

- Submit Form 03-01, Application for Survivor Benefits
  - Submit for members who have NOT retired.
  - Submit required documentation.

- Do NOT submit this form if member is retired, survivors must contact LASERS.

DISABILITY RETIREMENT

- Emphasize estimates to member interested in Disability Retirement
  - This assists member in determining amount of benefit.

- Eligibility (Regular Plan Members)
  - Must have 10 years of service credit at any age, and
  - Must be an active member at time Disability Application is submitted.

- If eligible for regular retirement, including 20 years at any age (actuarially reduced retirement), CANNOT apply for Disability Retirement.

- State Medical Disability Board physician must certify condition is total and likely to be permanent for current job duties.
**DISABILITY RETIREMENT**

- Must select option on Form 04-01, *Disability Retirement Application*.
  - Retirement option CANNOT be changed once application is received by LASERS.

- Not eligible for:
  - Option 4-A
  - DROP or IBO
  - Lump sum leave payment

**DISABILITY RETIREMENT**

*Once approved for Disability Retirement:*

- A member must leave state service or sign Form 04-02, *Disability Retirement Waiver to Remain on Leave* if approved for Disability Retirement.
- This form certifies that:
  - The member understands he has been approved for Disability Retirement and is eligible to begin receiving a monthly disability benefit;
  - In lieu of terminating state service and receiving a monthly disability benefit, the member is opting to remain on sick or annual leave;
  - By remaining on leave, the member waives his right to any Disability benefits for the period of time while on leave.
Form 04-02, Disability Retirement Waiver to Remain on Leave also certifies that:

- Until termination of state service, the member is not considered retired, and the named beneficiary under the retirement option selected will not be entitled to any benefits under such option, unless he retires prior to death;

- If the member continues to actively work in state service (as opposed to remaining on leave) or returns to active work in state service, whether prior to or after exhausting sick and annual leave, he will be considered as having restored to active service and will have to submit Form 10-02A, Reemployment of Disability Retiree.

Additional information on next slide.

- If the member is restored to active service, he will be subject to the provisions of La. R. S. 11:224* and 11:225*, and his retirement benefit will be suspended or terminated;

- If the member remains on leave, he must submit Form MSD12, Annual Attending Physician’s Statement, after being evaluated by a physician, after one year from the date of his Disability Retirement application.

*Additional information on next slide.
DISABILITY RETIREMENT

- La. R. S. 11:224 states if Disability retiree under the age of 60 returns to active service, his benefit will cease, and he will become a member of LASERS and pay contributions.
  - If he contributes more than three years, the period of time on Disability shall be counted as accredited service for purposes of retirement eligibility, but not for computation of benefits.
  - Prior service credit used to calculate his disability benefit will be restored. At his subsequent retirement, he shall be credited with all his service as a member.
- La. R. S. 11:225 states a Disability retiree may return to active service for a trial period of no more than six months with no effect other than suspension of his benefit while reemployed. The benefit will be reinstated if he does work more than six months.
- Six months prior to meeting age requirement for Regular Retirement according to member’s plan, LASERS will send letter giving option to change from Disability to Regular Retirement.

DISABILITY RETIREMENT

- Must complete and submit to LASERS all three parts of Disability Application timely:
  - Form 04-01, Disability Retirement Application
  - Form 04-01A, Disability Report
  - Form 04-01D, Attending Physician’s Statement for Disability Retirement
  - Members have 10 days from date of letter to resubmit a completed application and supporting documentation to LASERS if an incomplete application was received.
  - Disability Application Checklist has been added to first page of Disability application.
Do you have any questions?

STAY CONNECTED WITH US!

www.lasersonline.org/media/member-connection
Facebook.com/lasersonline.org
@LASERSonline
Youtube.com/laserschannel
Retirement Education Resources Update
Retirement Education Resources Update

Member Services Division
August 30, 2017

Employer’s Guide to Retirement

- Formerly the Retirement Reference Manual (RRM)
Chapters currently available on the Employers portal of the LASERS website:

- Service Credit
- Contribution Reporting
- Survivor Benefits
- The Retirement Process
- Retirement Benefit Calculation & Eligibility
- Retirement Options & Cost-of-Living Adjustments
- Regular Retirement
- Initial Benefit Option
- Deferred Retirement Option Plan
- Disability Retirement
- Conversion of Unused Annual & Sick Leave
- Re-employed Retirees
- Community Property & Divorce
- Appendix B – DROP v. IBO
- Enrollments

The finalized publication will include links to the following:

- LASERS Forms
- Laws
- Liaison Memoranda
Your feedback is important!
Email EmployerGuide@lasersonline.org

Member Education

Career Based Presentations

• Early Career
• Mid-Career
• PREP / Late-Career
• Retiree Workshops

Agency Specific Presentations

• Specialty Plans
• Layoff Preparation Meetings
**Member Education**

**Early Career Seminar – Educating members hired on or after January 1, 2011**

- Ideal for newer employees who are not eligible for retirement in the next five years
- Could be held in conjunction with New Employee Orientation
- Emphasizes the value of working for the State and accruing a defined benefit
- LASERS can arrange for a presentation on Deferred Compensation to follow the LASERS presentation, if wanted

**Member Education**

**Early Career Seminars have been conducted for the following agencies:**

- Wildlife & Fisheries
- La Technical College
- Dept of Administration
- La Dept of Health
- Dept of Insurance
- Dept of Children & Family Services
- La Motor Vehicle Commission
- Coastal Protection
- Southern University Baton Rouge
- Dept of Transportation & Development
- Dept of Agriculture and Forestry
Member Education

- Educational seminars are announced through Liaison Memos, Member Connection emails, and on the LASERS website

- LASERS Retirement Education Department will work with Human Resource personnel to encourage employees to attend

- Contact Ask LASERS to schedule seminar at your agency – asklasersagency@lasersonline.org

- Education series will provide something for everyone

Questions?
Investment Performance
### Investment Performance

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<tr>
<th>Asset Class</th>
<th>Mkt. Value ($millions)</th>
<th>Fiscal YTD</th>
<th>2 Years</th>
<th>3 Years</th>
<th>4 Years</th>
<th>5 Years</th>
<th>7 Years</th>
<th>10 Years</th>
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<tbody>
<tr>
<td>U.S. Equity</td>
<td>$2,743.0</td>
<td>19.1</td>
<td>9.2</td>
<td>8.6</td>
<td>12.4</td>
<td>14.6</td>
<td>15.5</td>
<td>7.5</td>
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<tr>
<td>Non-U.S. Equity</td>
<td>$3,749.2</td>
<td>22.2</td>
<td>5.3</td>
<td>2.0</td>
<td>6.7</td>
<td>7.8</td>
<td>7.7</td>
<td>1.8</td>
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<td>Fixed Income</td>
<td>$1,418.2</td>
<td>8.4</td>
<td>5.5</td>
<td>3.2</td>
<td>4.8</td>
<td>5.1</td>
<td>6.2</td>
<td>7.6</td>
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<td>Alternative Assets</td>
<td>$3,055.5</td>
<td>9.7</td>
<td>4.7</td>
<td>4.2</td>
<td>6.7</td>
<td>6.6</td>
<td>7.8</td>
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<td>Cash Equivalents/Other</td>
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<td>S&amp;P 500</td>
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<tr>
<td>TOTAL PLAN</td>
<td>$11,029.4</td>
<td>15.8</td>
<td>6.3</td>
<td>4.7</td>
<td>8.1</td>
<td>9.0</td>
<td>9.7</td>
<td>5.6</td>
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### Target Allocation

- U.S. Equity: 25%
- Non-U.S. Equity: 32%
- U.S. Fixed Income: 8%
- Emerging Market Debt: 2%
- Global Multi-Sector: 4%
- Alternative Assets Allocation: 7%

### Rankings

<table>
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<tr>
<th>Period</th>
<th>Percentile*</th>
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<tr>
<td>1 Year</td>
<td>3</td>
</tr>
<tr>
<td>3 Years</td>
<td>78</td>
</tr>
<tr>
<td>5 Years</td>
<td>58</td>
</tr>
<tr>
<td>7 Years</td>
<td>51</td>
</tr>
<tr>
<td>10 Years</td>
<td>50</td>
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</tbody>
</table>

*Percentile rankings according to the Trust Universe Comparison Service (TUCS) which provides a universe comparison of market returns for the larger public pension plans in the United States. Rankings are based on returns of public pension plans in the universe with market values greater than $1 billion.
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New Empower Experience
MAKE AN ACTIVE CHOICE TO CONTRIBUTE TO YOUR FUTURE!

We’ve made it easy for you to enroll and save for your future.

By enrolling in the Louisiana Deferred Compensation Plan, you are taking your first step to help create a secure financial life in retirement. Even a small start can help meet your future financial needs.

For illustrative purposes only. This is a hypothetical illustration to show the value of an increase in contributions. This hypothetical illustration is not intended as a projection or prediction of future investment results, nor is it intended as financial planning or investment advice. It assumes a 6% average annual rate of return, 26 pay periods, and reinvestment of earnings with no withdrawals. Rates of return may vary. This illustration does not include any charges, expenses or fees that may be associated with your plan. The tax-deferred accumulations shown above would be reduced if these fees had been deducted.

How to save $25 each paycheck?
Pack your lunch just 1x extra per week!
(Buying 2 lunches per pay period = $25)
IT'S AS EASY AS 1-2-3.

1. Check a box below and then proceed to Step #2.
   - [ ] Yes, I choose to Take Action for my future and enroll in the Deferred Compensation Plan.
   - [ ] No, I choose not to save for my retirement. I hope my pension will be enough.

2. Please fill out the contact information box below and then go to Step #3.

   Name: __________________________________________________________
   Phone number: __________________________________________________
   Email address: ___________________________________________________

3. Return it in person, by email or fax to:

   Louisiana Deferred Compensation Program
   9110 Bluebonnet Centre Blvd, Suite 203
   Baton Rouge, LA 70809

   Email: LouisianaDCP@empower-retirement.com

   FAX: (225) 296-6832

DONE! Congratulations! You have taken the first step to controlling your retirement future. We will send you all the information you need to finish enrolling, as well as information on upcoming seminars and free one-on-one retirement counseling opportunities.
9/27/17
Participant Website Conversion

10/1/17
First Deferral File to be sent to all Payrolls

~4/15/18
1Q18 Statements will be Delivered Electronically
My estimated retirement income

Taylor Smith

Estimated monthly income: $2,391

- Social Security: $1,560
- Income gap: $1,015
- My savings: $740
- Other assets: $91

This change could result in:

- Future: + $69.30 / month more in retirement income
- Today: - $45.42 / month less of your before-tax pay

Plan savings

All contributions: 5%

Retirement age: 65

Investments:
Do it for me
Help me do it
Do it myself

Let us professionally manage your account

Total account balance as of 6/5/17

- Empower 401(k) Plan
  $7,761.80
- Empower 457(b) Plan
  $15,289.20
- Empower HSA Account
  $2,431.00

Plan Messaging

June 16, 2017
Simplify
We can help you simplify your life.
When you consolidate your accounts, you save time with one website, one statement. Call 888-737-4480 today.

June 02, 2017
My estimated retirement income

Taylor Smith

Estimated monthly income: $2,302

Social Security: $1,560
Income gap: $1,105

My savings: $651
Other assets: $91

Plan savings Social Security Other assets Income gap

ALL CONTRIBUTIONS: 4%

RETIREMENT AGE: 65

INVESTMENTS: Do it for me Help me do it Do it myself

Next Step
© Step it up - Increase deferral by 1% per year to reach your retirement goal. Do it now

$25,482.00
Total account balance as of 6/02/17

Empower 401(k) Plan
$7,761.80

Empower 457(b) Plan
$15,289.20

Empower HSA Account
$2,431.00

Plan Messaging
June 16, 2017

Simplify
We can help you simplify your life. When you consolidate your accounts, you save time with one website, one statement. Call 888-737-4480 today.
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RSEA Update
ABOUT RSEA

The Retired State Employees Association (RSEA) was formed in 1966 as an independent, member-driven organization that represents men and women, and their families, who have retired or will retire from employment with the State of Louisiana.

RSEA is your voice! RSEA receives no appropriation, grant or subsidy from any level of government. RSEA depends on its support through your dues.

MISSION

"To advance the quality of life of current and future retired state employees who have given of their talents to the State of Louisiana."

OBJECTIVES

To make a significant difference in the lives and well-being of current and future retirees by:

- Protecting retirement and health benefits
- Securing COLAs
- Providing access to other needed benefits
- Informing members of important congressional legislation regarding new or enhanced social security benefits.

COLLABORATION

RSEA works with the Louisiana State Employees Retirement System (LASERS) and the Office of Group Benefits (OGB) to provide information to the State Legislature and Louisiana Congressional leaders on retirement and health benefit issues.

RSEA is able to engage in efforts that LASERS and OGB cannot. RSEA and LASERS join together to convince the Legislature and the Governor to oppose any special interest legislation that would have a significant fiscal impact on the retirement system and unfairly treat the regular membership.

MEMBERSHIP

- Any retired Louisiana State Employee
- Any active Louisiana State Employee
- Any individual who wishes to support the cause of retired state employees (Associate)

JOIN NOW

- Complete and return the application form contained in this brochure. Annual dues are only $18.00.
- You can sign up for the Direct Withdrawal pay plan from your LASERS retirement check. The monthly deduction is $1.50 per month.

“RSEA, On the Grow”

Membership, Pass it On!
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Contact Information

Location: 8401 United Plaza Blvd. • Baton Rouge, LA 70809

Mail: P.O. Box 44213 • Baton Rouge, LA 70804-4213

Phone: (toll-free) 800.256.3000 • (local) 225.922.0600

Web: www.lasersonline.org