

The LASERS Vision

Confidence in our service,
assuring financial security
for your future

Board of Trustees:

Janice Lansing
2017 Board Chair
225.342.4698

Lori Pierce
2017 Board Vice Chair
225.342.7012

Thomas Bickham
225.342.6630

Virginia Burton
225.753.5527

Commissioner Jay Dardenne
225.342.7101

State Treasurer Ron Henson
225.342.0010

Beverly Hodges
225.342.8844

Judge William Kleinpeter
225.346.4702

Senator Barrow Peacock
318.741.7180

Representative Kevin Pearson
985.646.6487

Kathy Singleton
504.896.2379

Shannon Templet
225.342.2455

Lorry Trotter
225.953.3867

2017 Board of Trustees Election Results

★ ACTIVE ★



**Beverly
Hodges**



**Janice
Lansing**



**Lori
Pierce**

★ RETIRED ★



**Barbara M.
McManus**

LASERS is pleased to announce the results of the 2017 Board of Trustees election.

Four Trustees were elected to serve four-year terms on the LASERS governing Board. Almost 11,000 active and retiree members voted by mail, telephone, and Internet in this year's election. Election results were certified by the Board of Trustees at its November 17 meeting.

The three active member incumbents were re-elected: Beverly Hodges, Undersecretary of the Department of Natural Resources; Janice Lansing, Chief Financial Officer of the Coastal Protection and Restoration Authority; and Lori Pierce, State Treasury Investment Officer with the Department of the Treasury.

Barbara M. McManus, retired from the Office of Family Support, Department of Social Services, was elected by our retirees. She had previously served as a Trustee on the LASERS Board.

The 13-member policy-making Board has fiduciary oversight over LASERS. Members include six elected by active members, three elected by retired members, and four ex officio members including the State Treasurer, member of the House Committee on Retirement appointed by the Speaker of the House, the Chair of the Senate Committee on Retirement, and the Commissioner of Administration.

Congratulations to our newly elected Trustees. The new Board Members will be sworn in prior to the January 25, 2018 regular meeting. The next Board of Trustees election will be held in 2019.



From the Desk of Cindy Rougeou

LASERS Executive Director

LASERS Benefits Louisiana. Three years ago, this “tagline” became part of the LASERS brand to summarize our mission and the services we offer. After reviewing our recently completed annual actuarial valuation report and working with staff to prepare our 2017 *Economic Impact Study*, it is clear that the tagline has never been more relevant.

LASERS Benefits Louisiana:

- By stimulating the economy – in fiscal year 2016-2017, \$1.18 billion was paid in pension benefits to 45,000 retirees living in Louisiana equaling \$1.58 billion in economic stimulus;
- With cost-effective funding – compare our accruing benefit cost of 3.75% to 6.2% for Social Security (LASERS is a bargain);
- With prudent management – LASERS manages approximately one-third of our investments internally, saving millions of dollars per year in professional management fees, and our 30-year return on investments is 8.02%;

- By implementing legislative reforms, having an expected future savings of nearly \$3 billion.
- By contributing an additional \$650 million, since 2010, toward reducing the Unfunded Accrued Liability;
- And by investing millions of dollars in Louisiana companies, which supports thousands of jobs in the State, providing additional fuel for the economy.

With the close of the fiscal year on June 30, LASERS actuarial value of assets had grown to \$12 billion, an increase of \$347 million from the prior year. The System’s funded ratio increased from 62.6 to 63.7 percent and the Unfunded Accrued Liability (UAL), or debt owed to LASERS by the State, had decreased by \$130 million.

In the Board Memo on page 3, Chair Janice Lansing highlights recent national media attention for LASERS, primarily resulting from our investment return of 15.8 percent for the fiscal year. I echo her praise of the LASERS staff and wish to recognize the leadership and expertise provided by the Board of Trustees. The Board plays a pivotal role in how LASERS Benefits Louisiana!

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, 2017, is available on the LASERS website in addition to the *Summary Annual Report* or *Popular Annual Financial Report* (PAFR), and the *2016-2017 Actuarial Valuation*. To find these documents from the home page of the website, click on the “Resources” tab, 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 statistical information on finances and operations. The PAFR is a condensed version of the CAFR.

The annual actuarial valuation presents the results of the actuarial valuation of assets and liabilities, as well as funding requirements for LASERS. The valuation was adopted by the LASERS Board at its September meeting and awaits final approval by the Public Retirement Systems’ Actuarial Committee (PRSAC).

The Board MEMO

Janice Lansing
2017 Board Chair



LASERS in National Spotlight

In my last article to members, I shared preliminary investment return information as we were awaiting final numbers. Since then, LASERS has been in the national spotlight numerous times profiling our investment return of 15.8 percent for the fiscal year ending June 30, 2017. This ranks as one of the highest returns in the history of the System.

Top 1000 Funds, a news and analysis site for the world's largest institutional investors, recently profiled LASERS as one of the best performers among U.S. public pension funds. The article, *LASERS Targets Alternatives*, provided great insight to the System's investment strategies. Read the article on LASERS website and learn more about Chief Investment Officer Bobby Beale's perspective on the future of the investment landscape.

In the publication *Trusted Insight*, Bobby was highlighted in the top 30 list of pension chief investment officers whose portfolios outperformed peers in 2016. Those featured are also front-runners in the public pension world by

three-year and five-year measures. *Trusted Insight* is the world's leading network of institutional investors, connecting investment decision-makers at endowments, foundations, pensions, insurance companies, sovereign wealth funds, family offices, corporations, and healthcare systems. Congratulations to Bobby for this recognition!

LASERS was also featured in a *Pensions & Investments* report titled *Public Funds See Major Gains after Frustrating Years*, as one of the top performers among large U.S. public pension funds. In the report, the major return driver cited was public equity, particularly international and emerging markets equity.

In a separate acknowledgement from *Pensions & Investments*, LASERS was ranked in the top third quartile among the 10 best performing public pension plans for 2017.

The LASERS Board of Trustees is proud of the System's achievements over the past year and we are dedicated to working with the LASERS staff to continue this path of excellence far into the future.

OPEN FORUM FALL 2017

New Educational Resources Introduced to Agency Reps

LASERS hosted the annual Agency Open Forum for Human Resources representatives (who work closely with retirement) on September 27, 2017. Over 150 HR reps heard presentations on the topics of 2017 retirement legislation, member services, new retirement education resources, investments, deferred compensation, and RSEA.

Nominate a Face of LASERS

Do You Know an Outstanding State Employee?

There are over 350 state agencies in Louisiana and LASERS features exemplary employees with various roles as a "Face of LASERS." To nominate a worthy LASERS member, complete the nomination form on the LASERS website: <https://lasersonline.org/resources/faces-of-lasers/nominate-a-member/>.





Front (L to R): Jacques Brousseau, Alisa Lacombe, Caye Weaver, Laney Sanders, Darren Fournerrat
Back (L to R): Celeste Funderburk, Bobby Beale, Reeves Pearce

Inside the Investments Division

LASERS provides a defined benefit (DB) pension plan that covers approximately 100,000 members. Funding for the plan is provided through three sources: employee contributions, employer contributions, and investment earnings, with investment earnings funding the vast majority of benefit payments.

The LASERS Investment Division, with direction from our Board of Trustees, is responsible for managing the plan's assets. Our investment staff includes Chief Investment Officer Bobby Beale, Assistant CIO Darren Fournerrat, Assistant CIO Laney Sanders, Director of Private Markets Jacques Brousseau, Director of Public Markets Celeste Funderburk, Manager of Operations Alisa Lacombe, Manager of Alternative Assets Reeves Pearce, Administrative Assistant Caye Weaver, and Intern Preston Galatas.

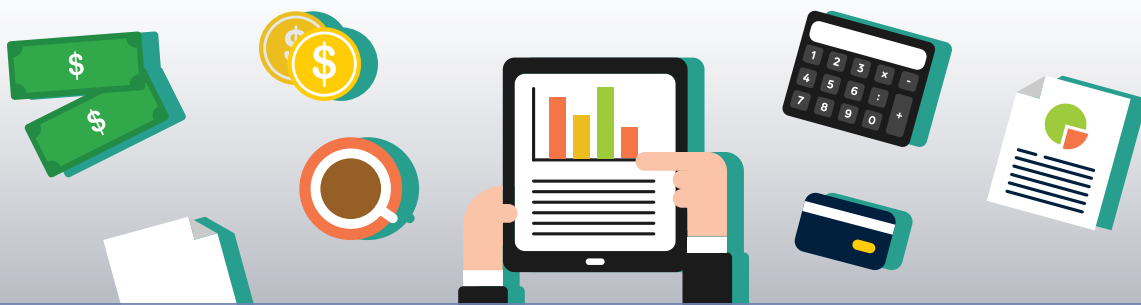
The ultimate goal is to provide financial security for those who have dedicated their careers to public service. This is achieved by maintaining a globally diversified asset allocation. LASERS long-term investment returns consistently rank in the top quartile of public funds nationwide.

For the fiscal year ending June 30, 2017, LASERS reported an investment return of 15.8 percent. This performance ranks as one of the highest in the history of the plan.

“LASERS is fortunate to have a highly qualified investment team, dedicated to investing the System assets. All seven investment professionals hold an advanced degree in finance. In addition, five team members hold both the Chartered Financial Analyst and Chartered Alternative Investment Analyst designations. The team continually seeks out the best opportunities in the market and adapts to a constantly changing investment landscape. In the end, our goal in managing the pension plan is to allocate assets in the most advantageous risk/return investments we can discover,”

Chief Investment Officer Bobby Beale said.

Visit the Investments section of our website to view our investment performance (including monthly and quarterly summaries), asset allocation, investment reports, fund managers, and more at www.lasersonline.org/investments.



Employee of the 3rd Quarter, 2017: David Brasseaux



IT Applications Programmer David Brasseaux, is dependable, diligent, and unfailingly positive. His willingness to take on important projects like the system implementation of the Affordable Care Act and the

JD Edwards (our payroll system) Tools Upgrade show his dedication and drive. David resolves conflicts and handles difficult situations with remarkable patience and admirable tact. Over the years, David has worked with many areas of the agency, by solving leave management issues, answering time entry questions, and overall being a positive team member. His work with IT

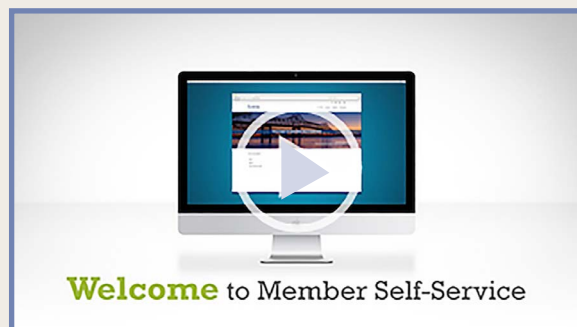
“David has many fine qualities, but one that stands out is his desire to deliver top notch customer service to his co-workers throughout LASERS.”

and cooperation with outside divisions makes him a valuable employee to further the mission of LASERS.

David has many fine qualities, but one that stands out is his desire to deliver top notch customer service to his co-workers throughout LASERS. David does it all with a big smile on his face, and it is a pleasure to work with him.

New Member Self-Service Tutorial Video Available

LASERS latest 5-minute video will walk you through all of the features on our Member Self-Service website. Retired and active members will benefit from this great new resource ... and the animation and catchy music are entertaining! Check it out now in the video library on our website.



Are you a LASERS Brainiac?



What do these Acronyms mean?

1. COLA
2. DROP
3. UAL

(Find the answers on page 6)

Information for Retiree Members

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.

- 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.lidi.la.gov/SHIIP or call 1-800-259-5300.

Is your Mailing Address up-to-date with LASERS?

Mailing Soon:
TAX FORM 1099-R



Form 1099-R for 2017 will be mailed to retirees no later than January 31, 2018. **Make sure your mailing address is current with LASERS before the end of December.** You can check your mailing address or make updates online in Member Self-Service. Please allow up to two weeks for delivery of your 1099-R. 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 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.

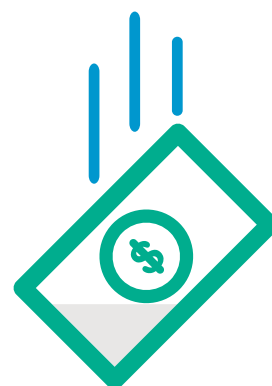
January 2018 Benefit Payments

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. 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 future.
Complete Form 04-05, Authorization for Direct Deposit, to start the process.



Answers for Acronyms

1. COLA (Cost-of-Living Adjustment)
2. DROP (Deferred Retirement Option Plan)
3. UAL (Unfunded Accrued Liability)

Information for Active Members

Hazardous Duty Services Retirement Plan (HAZ PLAN) Quick Facts

- The HAZ PLAN covers hazardous duty personnel employed on or after January 1, 2011, and those employees in hazardous duty positions employed prior to January 1, 2011, who made the affirmative choice to join the HAZ PLAN.
- HAZ PLAN Members pay a contribution rate of 9.5 percent. They earn an accrual rate of 3.33%.
- Criteria for retirement plan eligibility:
 - * 12 years of service credit at age 55
 - * 25 years of service credit any age
 - * 20 years of service at any age, with an actuarially reduced benefit (DROP participation and retirement with an IBO are not available to members who choose this option)

For additional details on eligibility, benefit accrual, limits on final average compensation, disability and survivor benefits, and examples of retirement calculations, please consult the Hazardous Duty Services Plan Chapter in the *Member's Guide to Retirement* found on the LASERS website.

How Much Do You Know About Your LASERS Retirement? Attend a PREP Workshop to Find Out.

Whether you are a new LASERS member or approaching retirement, a Pre-Retirement Education Program (PREP) workshop can provide you with essential information and tools to help you plan for one of the most important days of your life. Go online, www.lasersonline.org, and look for the Register for a Workshop link on the homepage. Workshops are from 8:30 a.m. – noon.

| DATES | CITY | LOCATION |
|-------------|-------------|---|
| December 7 | Baton Rouge | Louisiana State Police Training Academy Building A, Classroom 1 7901 Independence Boulevard |
| December 12 | Shreveport | LSU-Shreveport, University Center 2nd Floor, Caddo & Bossier Rooms One University Place |

2018 PREP dates are coming soon on the LASERS website.

Community Property: What You Should Know While Contributing to LASERS

COMMUNITY PROPERTY AND DIVORCE



DID YOU KNOW?

Louisiana is a community property state, which means all property and debts acquired during the marriage are typically split equally, unless spouses have a legally binding agreement or are subject to a court ruling to the contrary.

Louisiana is a community property state, which means all property and debts acquired during the marriage are typically split equally, unless spouses have a legally binding agreement or are subject to a court ruling the contrary. Any contributions to a retirement plan made during the marriage will also be viewed as community property by a Louisiana court, and may be subject to division.

As an active LASERS member, you should be aware that an ex-spouse might be entitled to a portion of your retirement benefit according to that spouse's community property interest.

View the full Community Property infographic on the MINT section of our website at <http://lasersonline.org/actives/millennials-investing>.





Louisiana State Employees'
Retirement System

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LASERS Answers Your Questions



Question: Who benefits from an Initial Benefit Option (IBO)?

Answer: An IBO is an optional method of retirement that allows you to receive a lump-sum equivalent of up to 36 months of your maximum retirement benefit at the time of your retirement. Only members who are eligible for an unreduced Regular Retirement may select the IBO. Who benefits from this retirement option depends upon the member's personal situation. Weighing the pros and cons of an IBO may help in making the determination:

PROs

- Lump-sum payout (up to 36 months of your maximum retirement benefit at time of retirement) – See example in the *Member's Guide to Retirement*
- Benefits those who need a lump sum of cash and can afford to take a reduced monthly benefit

CONs

- Lifetime monthly benefit is reduced irrevocably based on the cost of the lump-sum payment (calculated on age of retiree and cost per \$1,000 – see chart in the *Member's Guide to Retirement*)
- Participants cannot select retirement Option 1.

For more information on the IBO, watch LASERS *Initial Benefit Option* video in the Video Library on the website. Additional details are in the *Member's Guide to Retirement* chapter, *Initial Benefit Option (IBO)*.

If you have questions, please call a LASERS Benefits Analyst at 800.256.3000 or 225.922.0600 in Baton Rouge.

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

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