

The LASERS Vision

Confidence in our service,
assuring financial security
for your future

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From the Desk of **Cindy Rougeou**

LASERS Executive Director

LASERS Proposes New Rank-and-File Retirement Plan

Senate Bill 14 (SB 14), authored by Senate Retirement Committee Chair Barrow Peacock, sets forth a LASERS proposed plan for legislative consideration. The plan is designed to better meet the needs of a new generation of rank-and-file members, ensure a secure benefit for those who will choose to retire from state service, and at the same time reduce the risk of future unfunded accrued liability (UAL).

This new plan would apply to those LASERS rank-and-file members hired on or after January 1, 2020. Rank-and-file members hired on or after July 1, 2006, would be given a window to join the new plan for prospective service. Benefits for current employees would otherwise not be impacted. **The proposed plan will have no negative impact on the funding of benefits or cost-of-living adjustments for our current members.**

The current plan available to LASERS new rank-and-file members is very different from the one that was in place for members hired before July 1, 2006. Our research shows that the current plan will not provide retirement security for the vast majority of these new hires. LASERS actuary has concluded that only about five percent of

members in our current rank-and-file plan for new hires will actually stay in the system long enough to receive a full unreduced retirement benefit. In fact, we expect that 70 percent will leave state service before retirement eligibility and receive only a refund of their employee contributions. During that period of state service, those members will also not have earned any credit in Social Security.

The foundation of the new plan is a defined benefit component that includes an income replacement ratio comparable to Social Security. Added onto the defined benefit foundation is a defined contribution component of which 75 percent must be annuitized to a lifetime monthly benefit at the time of retirement from LASERS. For those members choosing not to retire from LASERS, the defined contribution component offers more portability than is currently available.

If passed, the new proposal would provide retirement security for a new generation of retirees. **It will have no negative impact on the sustainability of our System. On the contrary, reducing the risk of future UAL will benefit both the System and the State.** For additional details on the plan, visit the LASERS website, www.lasersonline.org.

2018 LEGISLATIVE SESSION - Retirement Bills to Watch

The 2018 Regular Session of the Louisiana Legislature convened March 12. Eighteen retirement bills were filed that 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 until the Session ends on June 4.

LASERS Sponsored

SB 14 – Peacock

Position: Support

Systems Impacted: LASERS

Provides for a new retirement plan for rank-and-file members whose first employment making them eligible for membership in LASERS occurs on or after January 1, 2020. Review details about the new plan on the LASERS website, www.lasersonline.org.

Impacts LASERS

HB 11 – Ivey

Position: Neutral

Systems Impacted: State and Statewide Systems

Makes the members of Public Retirement Systems' Actuarial Committee (PRSAC), or their designees, fiduciaries of the state and statewide retirement systems while acting in such capacity.

HB 12 – Ivey

Position: Neutral

Systems Impacted: State and Statewide Systems

Requires PRSAC, upon approval of a system valuation, to submit the approved valuation to the legislature, along with all additional assumptions and valuations that were submitted. The legislative auditor shall submit a summary of the disparities between the various assumptions and valuations.

HB 21 – Ivey

Position: Oppose

Systems Impacted: State and Statewide Systems

Adds four members to PRSAC – two members of the House of Representatives appointed by the Speaker of the House and two members of the Senate appointed by the President of the Senate.

HB 22 – Ivey

Position: Neutral

Systems Impacted: State Systems

Sets a 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.

HB 23 – Ivey

Position: Oppose

Systems Impacted: State and Statewide Systems

Provides that no system shall invest more than twenty-five percent of its total portfolio in alternative investments.

HB 24 – Ivey

Position: Neutral

Systems Impacted: State and Statewide Systems

Requires actuaries for the systems and for the legislative auditor to use uniform reporting standards, as prescribed by PRSAC, in presenting discount rates and assumed rates of return to the Committee.

HB 34 – Pearson

Position: Neutral

Systems Impacted: State and Statewide Systems

Requires a state or statewide retirement system with investments in international markets to allocate a portion of their investments to a terror-free fund, rather than a terror-free index fund.

HB 37 – Brown

Position: Neutral

Systems Impacted: LASERS

Provides for a disability benefit equal to 100 percent of final average compensation for members of the Hazardous Duty, Corrections Primary, Corrections Secondary, Wildlife and Harbor Police plans who are totally and permanently disabled in the line of duty by an intentional act of violence. Provides a 3 percent permanent benefit increase every other year.

HB 38 – Hollis*Position: Neutral***Systems Impacted: State and Statewide Systems**

Provides for the formula for the distribution of COLAs in instances where the legislature or the system does not specify the terms of the COLA.

HB 39 – Ivey*Position: Oppose***Systems Impacted: State Systems**

Creates a new hybrid retirement plan for new hires on or after July 1, 2020.

HB 42 – Jones*Position: Not Yet Taken.***Systems Impacted: LASERS and ROVERS**

Provides for the merger of the Registrars of Voters Employees' Retirement System into the Louisiana State Employees' Retirement System.

HB 43 – Pearson*Position: Not Yet Taken.***Systems Impacted: LASERS and ROVERS**

Provides for the merger of the Registrars of Voters Employees' Retirement System into the Louisiana State Employees' Retirement System.

SB 3 – Peacock*Position: Neutral***Systems Impacted: State and Statewide Systems**

Provides for a 100% survivor benefit for Hazardous Duty Plan members killed by an intentional act of violence.

SB 4 – Peacock*Position: Neutral***Systems Impacted: State and Statewide Systems**

Provides relative to the employment of actuaries and prohibits an actuary from performing duties that require the exercise of supervision or discretionary control over the administration or management of a retirement system.

SB 10 – Peacock*Position: Neutral***Systems Impacted: LASERS**

Adds firefighters in the Department of Agriculture and Forestry to the Hazardous Duty Plan.

SB 13 – Peacock*Position: Neutral***Systems Impacted: State and Statewide Systems**

Provides that the chair and vice chair of PRSAC shall rotate between the Speaker of the House of Representatives, or his designee, and the President of the Senate, or his designee, biennially.

SB 17 – Peacock*Position: Support***Systems Impacted: State and Statewide Systems**

Updates certain provisions related to the purchase of military service to comply with federal law, including the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Stay Connected with LASERS during the Legislative Session

How can you stay informed with the most up-to-date action on bills impacting LASERS during the 2018 Legislative Session?

Sign up for our emails and follow us on Facebook and Twitter! Links to sign up and follow us are on the home page of our website.



MAKE RETIREMENT PLANNING A TOP PRIORITY!

RETIREMENT READINESS FAIR

APRIL 9, 2018 · 10AM - 2PM
CLAIBORNE BUILDING · BATON ROUGE

ALL ACTIVE LASERS MEMBERS ARE INVITED TO ATTEND.
NO NEED TO REGISTER. PLEASE DROP BY AT ANY TIME.



FINANCIAL SECURITY



HEALTHY LIVING



HAPPINESS & ENGAGEMENT

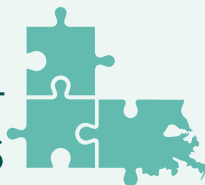
Integrating all three of these components enhances retirement planning and can provide balance in the golden years.

Our Retirement Readiness partners will be available to provide useful information and answer your questions one-on-one.

PARTNERS INCLUDE:

LASERS · AMBA · BREC · CASA · DINA Dental Plans · Empower Retirement · LSU Leisure Classes · Office of Financial Institutions · Office of Group Benefits · RSEA · SHIIP · Starmount · YMCA

RETIREMENT READINESS



Putting the pieces together

LASERS Wins Award for 14th Consecutive Year

LASERS is a winner once again in the Public Pension Standards Award (PPSA) for Funding and Administration. The 2017 award was our 14th 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.



The Board MEMO

Janice Lansing
2017 Board Chair



The LASERS Board welcomes State Treasurer John Schroder as the new ex officio Trustee. Elected in the November general election, he joins the Board as one of four ex officio members. Treasurer Schroder previously served 10 years as a State Representative representing St. Tammany and Tangipahoa Parishes.

The 2018 RSEA Chapter Tour is in full swing and I hope you plan to participate in your area. The last leg of the tour will include stops in Thibodaux, Metairie, and Covington. Check the LASERS website for exact locations. LASERS officials will speak at each of the meetings and you can expect to receive up-to-date information on current issues affecting pension and healthcare benefits. I encourage both state employees and retirees to attend. For more information about RSEA and the valuable work they do, visit their website, www.rseala.org. For only \$18 a year, you can become a member!

Trustees recently attended our annual workshop to earn required educational hours for the Board. Presentations included actuarial science; the laws, rules and regulations that govern the System; fiduciary duty; and many investment education sessions. Serving on the LASERS Board is a privilege and it is imperative that we have training in these complex areas to be the best decision-makers possible.

It has been my pleasure to serve as Board Chair over the past year. My forward thinking, fellow Trustees are dedicated to strengthening the System and benefits for current and future retirees and take their roles as fiduciaries very seriously. I now turn the Board Chairmanship over to Beverly Hodges, who will bring confidence and strong leadership to ensure that *LASERS Benefits Louisiana*.

LASERS Board Elects Chair and Vice Chair



Hodges **Burton**

LASERS Board of Trustees unanimously elected Beverly Hodges and Virginia Burton as the 2018 Chair and Vice Chair, respectively, at its January meeting. The 13-member policy-making Board of Trustees has fiduciary oversight over LASERS.

Board Chair. Burton, retired from the Louisiana Department of Revenue, was elected Vice Chair. She has served as a retired member Trustee since 2016. Initially, Burton was an active member Trustee from 1994 to 2010 and during that tenure, chaired the Investment, Management, and Audit committees. She also served as LASERS Board Chair.

Hodges, Undersecretary for the Department of Natural Resources, will lead the LASERS Board as new Chair. She has served as an active member Trustee since 2010. In her tenure on the LASERS Board, Hodges has chaired the Audit, Management, and Investment committees, and previously served a term as

“Beverly Hodges and Virginia Burton have a wealth of knowledge to bring to these important Board leadership positions,” said LASERS Executive Director Cindy Rougeou. “Their combined administrative and financial expertise will ensure that *LASERS Benefits Louisiana* in 2018 and beyond.”



LASERS: GET THE NUMBERS

The rate of interest paid on eligible (non-Self Directed Plan) DROP accounts for the fiscal year that ended June 30, 2017, is 7.12 percent, which is one-half percent below the LASERS actuarial rate of return. The Public Retirement Systems’ Actuarial Committee (PRSAC) approved the interest rate at its January 9, 2018 meeting. The interest was posted to accounts and statements mailed in January.

Participants in the Self-Directed 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. LASERS Self-Directed Plan members received their first quarterly statement of the year from Empower Retirement in January 2018.

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

For Investments Performance, click on the *Investments* tab, then *Performance*. Investment performance summaries are updated monthly. View our investments actual asset allocation and target allocation by clicking on the Investments tab, then Asset Allocation.

Employee of the 4th Quarter, 2017: Brodie Brumfield



Brodie exemplifies how a consummate professional should act and carry himself at LASERS. Not only is he always on top of his work, Brodie is always willing to help others.

People usually come to him with questions about service credit, the section in which he is currently working. Aside from service credit, he also had a tenure in our disability section. Although he never officially moved to these other sections, Brodie also trained and helped with purchases and

estimates, along with handling phone calls from members. Aside from his normal duties, Brodie serves as a trainer for all things service credit. He played an important role in getting Optimus, LASERS new imaging system, up and running by volunteering to write and review test cases. He tested Optimus before Go Live and is currently testing during Phase 2. Moreover, he actively reports bugs, errors, and/or anomalies to help better improve the new imaging system.

Congratulations, Brodie!

“Brodie exemplifies how a consummate professional should act and carry himself at LASERS.”



Left to Right: Andrea Rogers, Sheila Metoyer, Valerie Joseph

Get to Know Us: Human Resources Division

The LASERS Human Resources (HR) Division is responsible for managing the agency’s most valuable resource – our employees! The division consists of HR Director Sheila Metoyer, HR Analyst Andrea Rogers, and HR Analyst Valerie Joseph. HR is dedicated to enhancing the LASERS experience by attracting, retaining, and supporting a quality workforce.

HR takes care of LASERS employees from start to finish and everything in between. This responsibility

includes recruitment, benefits, training, performance evaluation, classification, pay, position control, grievances, employee relations, disciplinary action, worker’s compensation, Family and Medical Leave, and workplace safety.

HR has the privilege of meeting and getting to know each LASERS employee upon hire, and is there for all the changes throughout his/her career with the agency. The most rewarding aspect of working in human resources is helping employees with benefits, pay, and just listening to whatever is on their minds.

“It’s rewarding to be the place where employees feel safe asking for help with or sharing their work and/or personal life changes, concerns and/or accomplishments,”

HR Director Sheila Metoyer said.

The biggest challenge HR faces is staying current with the ever-changing laws and rules. HR has checklists and procedures for almost every task to ensure compliance with state and federal laws and Civil Service rules.

“We are challenged with compliance and training because we have to initiate and document all employee actions and training requirements while ensuring accuracy and timeliness for compliance reviews performed by Civil Service and Office of Risk Management,” Metoyer said.

This year, HR is working on converting all active and terminated personnel and position files to electronic format so that information is easy to access and maintain. HR is also continuing to build on the paperless effort by creating fillable forms with digital signatures for efficient processing.

Are you a LASERS Brainiac?

What do these Acronyms mean?

- 1. DB Defined Benefit Plan** – A DB plan guarantees a lifetime monthly benefit to retirees.
- 2. DC Defined Contribution Plan** – A DC plan can only pay out those funds that have been paid into the plan, as impacted by the gains or losses of the financial markets in which they invest.
- 3. FAC (Final Average Compensation)** – Average compensation is based on a member’s highest 36 or 60 months (depending on which retirement plan a member is in) of earnings and is part of the formula to calculate retirement benefits.



Just for Retiree Members

April and July 2018 Benefit Payments

April and July benefit payments are scheduled to be paid on the first day of those months. Since both payments fall on a weekend, 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.



Do You Need to Make Changes in your Tax Withholdings?

The Federal Tax Cuts and Jobs Act signed into law December 22, 2017 overhauls the U.S. tax code and contains a number of payroll provisions that modify federal tax withholdings. Due to these changes, we suggest retirees consult with their tax advisor to determine if they should change their withholding allowances amount. If you need to change your withholding allowances:

- **Submit a new Form W-4P: Withholding Certificate for Pension or Annuity Payments, which is located on LASERS website OR**
- **Log in to make changes in your Self-Service account.**

New Medicare Cards Coming Soon

Starting in April, Medicare is mailing new cards with new Medicare numbers. You do not need to do anything to get your new card, and you can start using it right away. Louisiana Medicare beneficiaries should look for their new cards in the mail sometime late summer.

If you have questions, contact the Senior Health Insurance Information Program at 1-800-259-5300 or visit www.ldi.la.gov/SHIIP

Just for Active Members

What is a PREP Workshop? Why should I attend?

PREP is a Pre-Retirement Education Program workshop. The workshops provide you with essential information and tools to help you plan for one of the most important days of your life. Go to www.lasersonline.org, and click on *Register for a Workshop*. Workshops are from 8:30 a.m. – Noon.

DATES	CITY	LOCATION
March 27 July 31	Baton Rouge	LASERS Board Room, 4th Floor 8401 United Plaza Boulevard
April 5	Monroe	Louisiana Delta Community College Conference Center 7500 Millhaven Road
April 11	Lafayette	University of Louisiana at Lafayette Abdalla Hall 635 Cajun Dome Boulevard
April 24 June 27	Hammond	Southeastern Louisiana University, University Ctr. Entrance 1, Room 139 800 W. University Avenue
April 25 June 7	New Orleans	University of New Orleans University Center, Atchafalaya Room #208 2000 Lakeshore Drive
April 26 May 24 June 21	Baton Rouge	Louisiana State Police Training Academy Building A, Classroom 1 7901 Independence Boulevard
May 3	Shreveport	LSU-Shreveport, University Center 2nd Floor, Caddo & Bossier Rooms One University Place

Additional dates are posted on the LASERS website.



Sign Up for Emails and View Our Infographics

Check out our mobile-friendly infographics on the MINT section of our website. These infographics are designed to educate early-career LASERS members on the basics of the System and guide you toward a secure financial future.

We also encourage you to sign up for our emails! Once a month, LASERS sends a short list of articles from around the web that are relevant to the millennial generation on topics such as taxes, home-buying, budgeting, saving, and much more.

Sign up today at <https://lasersonline.org/actives/millennials-investing/>.



Sign Up for Paperless Annual Statements!

Active members have the option to receive paperless Annual Statements through Self-Service. Members who choose to receive their Annual Statement via Self-Service only will no longer be mailed a paper copy. When statements are ready at the end of March, an email will be sent notifying you that statements are available online.



Follow these quick instructions to sign up for Paperless Annual Statements:

- Go to www.lasersonline.org.
- At the top of the home page, click 'Login Member'
- Enter your Self-Service account login information.
- Click on 'Documents' in the top menu.
- Click 'Manage Paperless Settings' from the left side menu.
- Choose 'Online only.'
- Click 'Update Paperless Settings.'

LASERS Answers Your Questions

BEAM
ME
UP

Q. If the proposed new retirement plan passes, would it jeopardize funding of current retiree benefits or COLAs?

A. No. The new plan has no impact on the funding of current benefits or COLAs. LASERS is actuarially funded. Therefore, a retiree's benefit is funded over the member's working life. LASERS is NOT a "pay as you go" plan like Social Security. For more answers to your questions about LASERS proposed new rank-and-file retirement plan, visit the FAQs section on our website at www.lasersonline.org.

Q. I am a retiree and have questions about my health insurance plan and premiums. Who should I contact?

A. You must contact the insurance carrier or your former employing agency for detailed health plan information.

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

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