

THE BEAM

MEMBERSHIP NEWSLETTER

The LASERS Vision: Confidence in our service, assuring financial security for your future.

CANDIDATES SET FOR BOARD ELECTION

The nomination period for the LASERS 2021 Board of Trustees Election has closed. Six candidates are eligible to run in this year's active member election with three open seats to be filled. Trustees serve four-year terms unless they are filling an un-expired portion of a term.

A retiree election will not be conducted this year as one nomination for Barbara McManus was received to fill the one open retiree position. McManus will begin her new term in January 2022.

The active member candidates are listed on page 3 in ballot order. To review their qualifications and platforms, go to www.lasersonline.org, and click on the Board of Trustees 2021 Election banner at the top of the page.

No Trustee may serve more than three consecutive terms. Six of the 13 Trustees are elected by the LASERS active membership. Three are chosen by our retirees. Four ex-officio seats are reserved for the State Treasurer, Commissioner of Administration, Senate Retirement Committee Chair, and member of the House Retirement Committee appointed by the Speaker, or their designees.

LASERS members will cast their votes for candidates between September 24 and October 22, 2021 via the Internet, telephone, or by mail. The election results will be certified by the Board and published in November.

Election packets, including information about the voting process and candidates, will be mailed to LASERS members in September. For additional information, check the LASERS website.



Schedule of Election Events

- September 24** Ballot packets mailed to members. Voting begins.
- October 22** Votes must be received by 4:30 p.m. (Central Time).
- October 27** Votes tallied and verified.
- November 18-19** Board certifies and authorizes publication of ballot count.
- January 2022** New elected Trustees receive orientation and are sworn in. ■

BOARD OF TRUSTEES

Beverly Hodges
2021 Board Chair
225.505.3330

Barbara McManus
2021 Board Vice Chair
337.433.8910

Thomas Bickham
225.342.6630

Virginia Burton
225.753.5527

Charles Castille
225.937.7363

Comm. Jay Dardenne
225.342.7101

Rep. Lance Harris
318.767.6095

Judge William Kleinpeter
225.346.4702

Janice Lansing
225.342.4698

Sen. Barrow Peacock
318.741.7180

Lori Pierce
225.344.4758

Hon. John Schroder
225.342.0055

Shannon Templet
225.342.2455

FROM THE DESK *of*



Cindy Rougeou, LASERS Executive Director

Despite the challenges in the financial market last year and overall management of our System in a COVID-19 environment, LASERS ended the fiscal year on June 30th with a preliminary market return of 35 percent, the

highest investment return in the history of our System. Our Investments staff is pleased to say this was achieved while “working remotely,” due to the pandemic.

I must recognize the excellent guidance from our Board of Trustees, as well as our stellar investments team, led by Chief Investment Officer Bobby Beale, who manage well over one-third of our portfolio internally. This saves millions of dollars per year in professional management fees and is enough to pay the annual salaries for the entire staff at LASERS.

And speaking of staff! I was amazed when I compiled our [19-page list](#) of fiscal year accomplishments to present to the Board of Trustees last month. This incredible amount of work, which meets the goals of our Strategic Plan, was accomplished during COVID-19. Whether working from home or at the office, our staff never missed a beat.

Here are a few highlights from our accomplishments:

- All retiree benefits were paid on time, and all tax reporting work and processes were completed as scheduled,
- We developed our well received on-line educational seminars,
- We launched our LASERS 75th Anniversary celebration,

- Our Information Technology Division implemented a work-from-home strategy with all necessary equipment for all staff during the pandemic and a Call Center work-from-home option using cell phones to continue the same level of service for members,
- We provided a new online account management system for members, myLASERS,
- Of particular note, LASERS reduced cyber security threats through implementation of tools and processes to monitor email, cyber activity, suspect actions, identification of known vulnerabilities, and staff training.

This truly has been a historic year for LASERS. Our ability to cope with the challenges of a pandemic has been remarkable and reflects the dedication and teamwork of our staff. The recovery of the market and our investment performance will also be remembered far into the future. In celebrating LASERS 75th anniversary, we have had the opportunity of acknowledging those who have had such significant impact to the System.

One such person is Thomas D. Burbank, Jr., the fifth Executive Director of LASERS, who unexpectedly passed away in June. Tom served the retirement system from 1988 to 1993 and worked tirelessly to protect and improve the System. In his last issue of *The Beam*, Tom wrote, “I’ve always been proud to be a state employee; therefore, when I became director of this System, comprised of state employee members and retired state employees, I was especially honored.” His significant contributions to LASERS will not be forgotten. We express our condolences to Tom’s wife, Jeanne, and their family. ■

“ This truly has been a historic year for LASERS. ”

GET THE NUMBERS:

Visit the LASERS Website for Investment 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*.

Learn more about the history of LASERS Investments by visiting our website at lasersonline.org/about/history/investments/. ■

ARE YOU PREPARED FOR HURRICANE SEASON?



One of the best ways to prepare for hurricane season is to be enrolled in direct deposit. Why? The answer is simple. Your LASERS benefit payment goes straight into your financial institution with direct deposit. No worries about delayed paper checks from post office and/or road closures. The Authorization for Direct Deposit Form is available to view and submit in your myLASERS account under eForms. Log in to myLASERS at myLASERS.org.

We also encourage you to check out www.getagameplan.org for additional resources. ■

THE BOARD MEMO



Beverly Hodges, 2021 Board Chair

“ A significant accomplishment by a government and its management. ”

LASERS WINS GFOA AWARD FOR 24TH YEAR

Join me in congratulating the Fiscal and Public Information Divisions for their work in the preparation of the LASERS Comprehensive Annual Financial Report. For the 24th year, the Government Finance Officers Association (GFOA) of the United States and Canada has awarded LASERS the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2020. This award is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. Congratulations and keep up the great work! ■

2021 LASERS BOARD OF TRUSTEES ELECTION CANDIDATES

The 2021 LASERS Board of Trustees Election is being conducted by a third party vendor, Election Services Corporation of Melville, New York. The company won the LASERS contract in a nationwide bidding process and previously managed several of LASERS elections.

For full details on all candidates, go to the LASERS website: www.lasersonline.org.

Voting for Active candidates will take place via the Internet, telephone, or by mail beginning September 24 and end October 22, 2021 at 4:30 p.m. (Central Time).

Active candidates are listed on the right-hand panel, in ballot order.

- Four-Year Terms
- Three Trustees to be elected ■

CIVIL SERVICE LEAGUE CALLS FOR 2021 DUNBAR AWARD NOMINATIONS

Entering into the 62nd year of its annual program, the Louisiana Civil Service League has announced the call for nominations for the 2021 Charles E. Dunbar, Jr. Career Service Award. Since the inception of the program, more than 800 classified public employees have been awarded the Dunbar Career Service Award. Recognizing the tremendous contributions made to the state of Louisiana by classified employees, we encourage you to consider nominating one of your employees for this prestigious honor.

The deadline to submit nominations is Thursday, September 23, 2021. [Click here](#) for details on how to nominate a fellow classified employee for the 2021 Charles E. Dunbar, Jr. Career Civil Service Award. ■



2021 Board Election Active Candidates



CATHERINE HERMAN

Louisiana State University



REGGIE P. DUPRE, JR.

Terrebonne Levee & Conservation District



AMY A. MATHEWS

Department of the Treasury



THERESA DELAFOSSE

Department of Environmental Quality



BYRON P. DECOTEAU, JR.

Louisiana State Civil Service

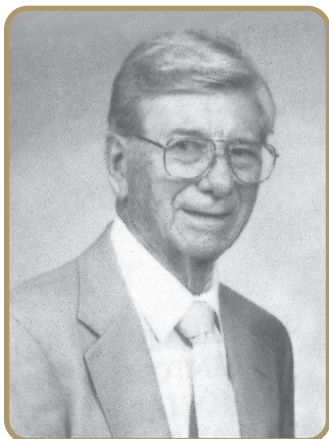


TERNISA HUTCHINSON

Division of Administration, Office of Planning and Budget

Throughout 2021, we will recognize people who have made significant contributions to LASERS to ensure the long-term sustainability of the System.

[ROY B. SCHAEFER, JR.]



LASERS third executive director, Roy B. Schaefer, Jr., led the retirement system from 1965 to 1977. His 12 years as director of the System served as the catalyst to what would become a lifelong passion to preserve retirement security for state employees.

A native of New Orleans, Schaefer had worked as

chief accountant/assistant controller for six years with the Port Commission of the Port of New Orleans, then executive assistant/controller in the Wildlife and Fisheries Commission in New Orleans. He was instrumental in the organization of credit unions in both agencies.

In 1964, Schaefer moved to Baton Rouge to accept the position of special assistant to the LASERS Board of Trustees. He was chosen by the Board to replace retiring executive director Pierre J. Becker in January 1965.

At the time of his hire, Chairman of the LASERS Board, Winborn E. Davis said, "The retirement system is fortunate to obtain the services of a person with Mr. Schaefer's ability and experience. He is a career civil servant with extensive experience in administration and accounting and is well qualified to direct the System which now has more than 35,000 active members."

Schaefer had studied accounting and business management at several universities, including Loyola of New Orleans.

During his years as director, LASERS first membership newsletter was published, *Retirement Topics*; investments began to include certificates of deposit, corporate bonds, equities, and high yield bonds; the first cost-of-living adjustment (COLA) was paid to eligible retirees; and special retirement eligibility was granted to law enforcement agents.

Schaefer was not only involved with retirement issues statewide, but on the national level as well. He was active with the National Association of State Retirement Administrators (NASRA) and was past president of the organization.

Schaefer retired from LASERS in 1977, but he remained actively involved in retirement issues. He was elected by retirees in 1988 to serve as a Trustee on the LASERS Board, in addition to the RSEA Board of Directors as an ex officio member. He was also chairman of the board of directors of the Louisiana League Central Credit Union, and a director on the board of La Capitol Federal Credit Union from 1972 until the time of his death in 1993.

Schaefer's life was one of service. He was a World War II veteran, serving on active duty with the U.S. Army Air Force from 1941 to 1946. Then, he commanded an intelligence unit in the U.S. Air Force Reserves, retiring as a Full Colonel after 26 years. Schaefer always believed his military training helped him to be a good leader and manager in his professional life.

In describing his father's dedication to state service, Gary Schaefer said, "He was one of the most honorable people I know and loved state service. As Director of LASERS, he always fought for his members and kept a close watch on any legislation that would affect the LASERS members. He was very active during the Constitutional Convention of 1974 and worked to ensure that the new Constitution had the State's guarantee of retired benefits." ■



Did You Know?

In **1968**, LASERS first investment in equities of \$1 million was approved. Stocks included AT&T, GE, GM, Eastman Kodak, Union Carbide, and Standard Oil.

In **1982**, LASERS assets reached \$1 billion and the first money managers were hired.

Learn more at lasersonline.org/about/history. ■

[CHERYL C. TURNER]



In 1984, history was made at LASERS when the first minority member was elected to the Board of Trustees. At the time, Cheryl C. Turner, a Department of Social Services employee, was unaware she was breaking through barriers that had been in place for 38 years.

Turner said, "I didn't realize then that I was the first minority to serve on the Board. That experience proved to be at times more than what I could have anticipated. There were some people who were so kind and thoughtful, and there were others who managed to shut some doors before I could enter. At some point, I was joined with Trustees who were knowledgeable, but needed to learn about benefits and investments, and saw me just as another Trustee. Along with them, I was able to learn and grow right along with LASERS. We were there through LASERS growing up stage. I came to know some wonderful staff and Trustees who helped me and challenged me to have a voice, and I thank them for that."

Turner spent her entire 34 years as a state employee with the Department of Social Services. She began as a clerk in 1972 and was promoted through the ranks during her tenure. Turner's positions included Clerical Supervisor, Eligibility Examiner, Eligibility Supervisor, Supervisor for Orleans Parish Child Care Assistance Unit, and Community Specialist for the Community Mobilization and Outreach Services for Orleans Parish.

Turner decided to run for a position on the LASERS Board because she was curious. As a member of the local Union, AFSCME, she served as the local treasurer and as a Vice-President representing the New Orleans area on the State AFSCME Board.

"I couldn't find anyone to tell me about LASERS," said Turner. "I wondered who they were and where my deduction went to every payday. I did not realize the full capacity of LASERS from benefits to legislation, the laws, technology, investments, and the national trends for retirement systems as large as LASERS. From someone without a background in any of those areas, it was a huge challenge. There was no book, *Serving as a Trustee for Dummies*. It was very overwhelming, but I was eager to learn."

Turner was a Trustee on the LASERS Board for a total of 15 years; and in 1995, was elected to serve as Chair. She is proud of what the Trustees accomplished during her time on the Board. Turner believes the most significant advancements were made in the investment program.

"As a System, our knowledge grew of what we needed to do, and the decisions that needed to be made, in order to keep pace with the industry," Turner said. "We had to ensure that benefits would be available as we kept pace with the market, but we had to reduce our market risk, diversify assets, monitor inflation, work to grant cost-of-living increases, and reduce the unfunded liability. Our goal was to protect the investments of the System. We learned how to stand strong against adversity."

Turner also recalled some of the challenges the Board faced during her tenure. "It was a constant challenge to combine the systems into one and bring it under the Treasurer's office," she said. "We had to learn to better diversify because of our exposure to market losses, to hire our money managers, and understand the world of investments. We also faced expansion and sought the best staff to bring on board to run the System, had to deal with fast-paced technology, and had to be transparent to everyone."

Turner believes the value of LASERS to state employees grows over time. She stressed that most employees are not thinking about retirement when they enter state service. Their immediate concern is salary, frequency of pay, and number of days allowed off from work. Retirement and related benefits do not enter their minds until they are approaching retirement.

"When the employee realizes that someone stepped in and planned and secured their future, it is enlightening," said Turner. "They come to know what a terrific plan LASERS has and the guaranteed benefit is a wonderful plus. Their retirement benefit and DROP is an advantage that most other people wish they had."

Turner's groundbreaking election to the LASERS Board and her dedication as a Trustee has had a historic impact on the retirement system. Turner shared, "Being a part of LASERS has been a monumental part of my life. My LASERS experience gave more to me than I was able to give in those 15 years. It was on-the-job training that prepared me for other life experiences, and for that I am truly grateful. I was part of a fantastic team of Trustees and friends that helped to transform LASERS into one of the top retirement systems in the country today." ■



Beware of Medicare TV Ads

You may have seen celebrity-endorsed TV ads that promise huge Medicare savings in one quick call.

These ads are actually a private, for-profit lead generation scheme that is selling your call to an agent who will try to sell you a specific Medicare Advantage Plan that may not be right for you and may not provide the savings you expect.

For truly non-biased information and guidance on your Medicare options and potential savings, call Louisiana Department of Insurance SHIIP Medicare counselors at 1.800.259.5300 or visit ldi.la.gov/SHIIP. ■

New eForms added to myLASERS

The following electronic forms (eForms) are now available to view and submit through myLASERS:

- *Authorization for Direct Deposit*
- *Request for Withdrawal from DROP-IBO Account*
- *Refund of Accumulated Contributions.*

In order to be kept informed of the status of your submitted forms, be sure to opt-in for text and/or email notifications on the Communications Preferences page.

Need to create your myLASERS account? Learn how to create an account by going to lasersonline.org/myLASERS-info. ■

ATTENTION LASERS MEMBERS

LASERS WELCOMES J. TRAVIS MCILWAIN *as Chief Administrative Officer*



LASERS welcomed J. Travis McIlwain as the new Chief Administrative Officer with primary responsibilities to include oversight of the System's Fiscal Division, to serve as Chief Risk Officer and Incident Response Manager, Director of the Research and Analysis Program, and Director of Strategic Initiatives.

In addition to many years in management, McIlwain brings more than 16 years of experience working with the legislature and government personnel on fiscal issues.

He has served as an Associate Commissioner for Finance and Administration at the Board of Regents, a Senior Budget Analyst for the Louisiana Senate, and Section Director in the Legislative Fiscal Office. In his role prior to joining LASERS, McIlwain served as the State Budget Director with the Division of Administration, Office of Planning & Budget.

McIlwain holds a B.A. in Mass Communications and a Master of Public Administration from Louisiana State University.

Cindy Rougeou, LASERS Executive Director, said "Travis will be a tremendous asset to our retirement system. His depth of experience, fiscal knowledge, and management capabilities will complement our Executive team." ■

ATTEND A LASERS SEMINAR VIRTUALLY!

Whether you are a new LASERS member or approaching retirement, our educational seminars provide essential information and tools to help you plan for your retirement. We currently offer two seminars virtually to meet the needs of our members.

Early Career Seminar: This two-hour virtual seminar is for LASERS members hired on or after January 1, 2011, but not within five years of retirement eligibility. This seminar introduces members to LASERS and educates them on membership in a defined benefit retirement plan. We encourage registration for all new hires who meet the above requirements, especially members who have no previous LASERS service.

Available virtual Early-Career seminar dates include:

- **Wednesday, November 3, 2021**
- **Thursday, December 9, 2021**

PREP Seminar: This four-hour virtual seminar is for LASERS members who are approaching retirement. We encourage registration for any member inquiring about retirement and/or approaching retirement.

Available virtual PREP seminar dates include:

- **Thursday, October 7, 2021**
- **Thursday, October 14, 2021**
- **Thursday, November 4, 2021**
- **Tuesday, November 16, 2021**
- **Thursday, December 2, 2021**
- **Wednesday, December 15, 2021**

Register for a seminar by going to www.lasersonline.org and click on 'Register for a Seminar'. ■



Senator Edward J. "Ed" Price, Chairman
Senate Retirement Committee

Senator Ed Price, representing District 2, has served on both the House and Senate Retirement Committees in his tenure as a legislator. He became Chairman of the Senate Retirement Committee in 2019. LASERS Executive Director Cindy Rougeou recently met with Senator Price to discuss his role in working with the System and what our members can expect in the future.

"My experience serving as Chairman of the Senate Retirement Committee has been very fruitful," said Senator Price. "I have learned a lot about helping people and learned more about the retirement systems by attending their meetings. I am finding out that there are different ways people are doing retirement, but it all comes back to our state employees. We need to make sure the System is healthy and that long term, retirees are going to be able to rely on receiving a cost-of-living adjustment (COLA) for the future."

In the 2021 Regular Legislative Session, Senator Price sponsored **SB 24**, now **Act 37**, which provides a minimum COLA for a few hundred LASERS retirees and beneficiaries who fell below the federal poverty level. The Experience Account currently does not have a balance sufficient to fund a COLA for all eligible retirees, so the retirement systems were tasked by Senator Price to propose some solutions for those in most need. The State retirement systems studied the various means of funding COLAs. The findings were presented at a joint meeting of the Senate and House Retirement Committees. After considering the funding available, he decided to propose the minimum COLA legislation.

Senator Price expressed his intention to make sure the benefit structure is sound for retirees and that in the future, legislators must help to make the System stronger. He commented that any adjustments made must ensure the retirement system stays healthy.

Senator Price recognized that LASERS has been in place for 75 years and doing well. The System is making sound investments, reporting solid valuations, and continuing to move forward with the unfunded accrued liability (UAL) on track to be paid off. "Everyone is very, very proud of what LASERS has done," he said. "I am sure the System will be here another 75 years, sound and strong. And through legislation, we will hopefully continue to move forward with bigger and better ideas."

Senator Price expressed his appreciation to LASERS for a job well done and for our willingness to sit down and have conversations. He said, "You get things accomplished by working together. That's my philosophy, that's my way of doing things, and I'm going to continue along that path." ■



Representative Lance Harris, Chairman
House Retirement Committee

Representative Lance Harris from District 25 was appointed Chairman of the House Retirement Committee in 2020. In discussing his position on the committee, he said, "The retirement cost Louisiana bears for state employees is a huge chunk of money, so I see my role as extremely important. When I became Chairman, I discovered it takes a studious mind on this committee. We have an active group of members, active discussions, and every member that serves with me really wants to be on Retirement. They volunteered and they are worker bees."

Representative Harris considers the minimum COLA bill (**Act 37**) as the most important piece of retirement legislation to come out of the 2021 Regular Legislative Session. The bill was sponsored by Senator Price, but Representative Harris was pleased to handle the measure on the House side. **Act 37** was a joint effort and passed unanimously in both bodies.

"There is no excuse for retirees to be below the poverty level," said Representative Harris. "We made a promise to retirees that we need to keep. A promise for a comfortable retirement. Whatever takes place in the way of reforms, we must raise the question, will retirees be suitably affected?"

Representative Harris noted that it's important to get everyone in a room to discuss retirement issues when possible. He is pleased that strides have been made in paying down the unfunded accrued liability (UAL) of the System. "Good things are happening," he commented. "Have we gone far enough? No!" He stressed that LASERS is a stable, strong system, and that his job is to make sure retirees are taken care of. There is a tipping point, but the legislature must make sure promises are kept.

Representative Harris believes the future of the retirement system will include robust discussions of what fits best in today's environment. Questions will be asked on how to make the System more efficient, stronger, and how reforms fit into the economy. On the horizon, issues will include the changing attitude of the work force, such as millennials who think differently and want to take their retirement money with them, and recruitment tools that fit employee needs.

"It has been a pleasure to work with the staff and Board at LASERS," he said. "The retirement system is stable and your 75th anniversary is a testament to that strength and viability." ■



**COVID-19 Update*

Please check the LASERS website before visiting to confirm current building restrictions by going to www.lasersonline.org/covid19.

BEAM-ME-UP

Your Questions Answered



Q: At the end of the DROP period, can I get my funds without being penalized if I am under 60 years old?

A: Please keep in mind that DROP funds may not be withdrawn in any manner until the member terminates state service. All lump-sum withdrawals are subject to a 20% Federal tax to help cover your income tax liability, as required by the IRS. If you are in a low tax bracket, you could be due a refund when you file your taxes. If you are in a high tax bracket, you could owe more at tax time.

In addition to this 20% Federal tax, there may be an additional 10% early withdrawal penalty if you withdraw funds before the age of 59 ½. There are exemptions to this 10% early withdrawal penalty. Read more about the penalties and exemptions, and find additional information about the LASERS Self-Direct DROP Plan in the *Protecting Your Retirement Savings* flyer on our website.

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

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