

THE BEAM

MEMBERSHIP NEWSLETTER

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

2024 Regular Session of the Louisiana Legislature LASERS TRACKING RETIREMENT LEGISLATION

The 2024 Regular Session of the Louisiana Legislature began March 11. The following bills would impact LASERS, if passed:*

SB 1 – Price | *Systems Impacted: State & Statewide*

POSITION TAKEN: NEUTRAL

Provides relative to transfers of service credit between systems by specifying that, for purposes of transfers between systems, “employer contributions” are defined as only those employer contributions that are actuarially required.

SB 5 – Miguez | *Systems Impacted: State & Statewide*

POSITION TAKEN: NO POSITION

Requires fiduciaries for public retirement systems to make investment decisions based solely on financial factors.

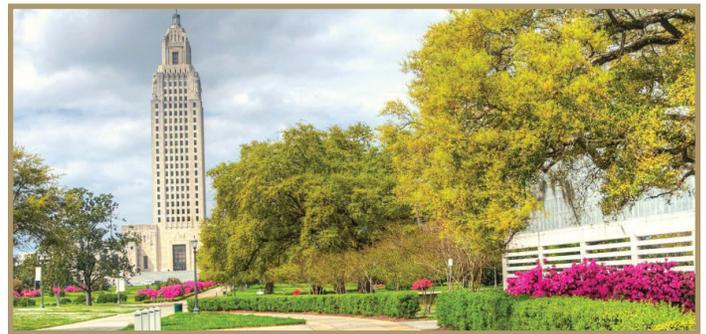
HB 30 – Bagley | *System Impacted: LASERS*

POSITION TAKEN: NO POSITION

Provides relative to retirement eligibility. Permits any rank-and-file member, regardless of age or first date of employment, to retire with 25 years of service credit.

The Louisiana State Legislature Website, www.legis.la.gov, provides in-depth details on legislation, daily meeting schedules, and links to watch committee meetings live.

The LASERS website, www.lasersonline.org, is updated frequently throughout Session with committee meeting information and their outcomes. You can sign up to receive regular legislative updates straight to your inbox by going to www.lasersonline.org/media/member-connection. In addition, follow our updates on Facebook and X (formerly Twitter) @LASERSpension. ■



**This issue is printed in advance of the Legislative Session. Please visit our website for the most up-to-date status on retirement bills.*

BOARD OF TRUSTEES

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FROM THE DESK of



Trey Boudreaux, LASERS Executive Director

“Byron and Virginia... are committed to keeping LASERS sound and sustaining growth in assets to provide benefits to current and future retirees.”

The Executive staff kicked off the year by welcoming new faces to the LASERS Board. Newly elected Trustees received orientation on our agency's operations,

membership, investments, Board Governance policies, and more. You can read more about our new Board members on page 5 and by visiting our website.

The new year also brought a change in leadership to our Board. I am delighted that Byron Decoteau and Virginia Burton will serve as Chair and Vice Chair, respectively. Both have vast professional knowledge and experience as Trustees of our System. They are committed to keeping LASERS sound and sustaining growth in assets to provide benefits to current and future retirees.

As of this printing, our staff is currently in the middle of 'March Madness' as we monitor retirement bills and attend committee meetings throughout the Legislative Session. We are also on the road throughout the month for the annual RSEA statewide chapter meetings, which take place in

Shreveport, Alexandria, Monroe, Lake Charles, Lafayette, Baton Rouge, Houma, New Orleans, and Covington. The meetings provide a great opportunity for LASERS staff to interact with our members and present up-to-date information on current issues affecting state employees' and retirees' pension benefits.

I would like to thank LASERS Trustees and members of the legislature for their attendance, and especially our members for their engagement at each of the meetings.

Below are a few important topics from the LASERS presentation:

- LASERS is financially sound with a fund value of over \$14 billion as of June 30, 2023,
- LASERS continues to track the Social Security Fairness Act in Congress,
- Important information for retirees returning to work,
- The importance of signing up for myLASERS and *Member Connection* emails.

I invite you to learn about these topics and more at www.lasersonline.org/2024-rsea-tour/. ■



Get the Numbers on Our Website

New Investment Report

The latest Annual Investment Report is now available on our website. This report provides a thorough review of the System's asset allocation and performance, as well as the practices in place to sustain our pension plan. View the full report at www.lasersonline.org. Click on the *Investments* tab, then *Investment Reports*.

Investment Performance

Investment performance summaries are updated monthly at www.lasersonline.org/investments/performance. View our actual asset allocation and target allocation by clicking on the *Asset Allocation* tab. ■



IN LOVING MEMORY OF BRENT FITCH

Our beloved colleague, Brent Fitch, passed away unexpectedly on December 21, 2023. Brent worked in the Tech Support section for 20 years, and his unwavering commitment had a profound impact on LASERS.

Brent's hands-on approach during critical times — whether securing the facility amidst hurricanes, attending to fire alarms in the early hours, or meticulously overseeing the server room — exemplified his loyalty and dedication.

In recognition of his extraordinary commitment during the south Louisiana floods in 2016, Brent was honored as LASERS Employee of the Quarter, a testament to his resilience and professionalism during challenging times, including the personal hardship he faced with the flooding of his home.



Brent's kind demeanor and relentless dedication made him a cherished member of our staff.

We continue to extend our deepest sympathies to Brent's family and friends. As we mourn the loss of Brent, we also celebrate his lasting contributions, which have left an indelible mark on our mission to serve our members. ■

SUBMIT YOUR LOUISIANA PHOTOS

For years, LASERS has been fortunate to receive hundreds of photos from our members and affiliates that vividly depict the state's unique landscape, rich culture, bustling industries, and historical landmarks. Many of these submitted images are prominently showcased and properly credited in various digital and print materials produced by LASERS.

If you have original images that reflect the charm of Louisiana, we invite you to share your photos with us. Whether it's a breathtaking sunset over the bayou, a snapshot of local festivities, or a unique view of historical landmarks, your photos could become part of our visual narrative. Visit www.lasersonline.org/submit-photos/ to begin the photo submission process. ■



Photographer: Rob Wood

RSEA SCHOLARSHIP OPPORTUNITY

RSEA will award up to \$3,000 in scholarships to students attending an accredited Louisiana institute of education. Qualifications for the scholarship are:

- The student's parents/grandparents must be members of RSEA and have continuous membership for three consecutive years.
- The student must be currently enrolled in or accepted to an accredited Louisiana institute of education and have a GPA of at least 2.5. Only full-time students will be considered.
- The student must submit a written statement expressing their financial need, and must submit two personal letters of reference, with at least one from an academic advisor.
- The student must submit a detailed statement regarding their educational/career goals.
- The student must submit a current ACT or SAT score, a school transcript, and a signed application.

Download the application at www.rseala.org. Completed applications can be sent via email to janthony.rsea@gmail.com or by mail to RSEA. The deadline to apply is **Friday, April 26, 2024**. Please contact Jimmy Anthony at 225.831.4988 for additional information. ■

YOUR LASERS PENSION & YOUR DIVORCE

Louisiana is one of nine community property states in the country. Louisiana law defines community property as those assets and debts acquired during a marriage. And while most people think of homes, vehicles, and bank accounts when they think of assets, a retirement plan is one of the most valuable, complicated assets an individual has.

Louisiana law and jurisprudence both conclude that a state pension benefit, including Deferred Retirement Option Plan (DROP) or Initial Benefit Option (IBO) funds received or accumulated during marriage, are indeed community property. Any contributions made during marriage will be viewed as community property by a Louisiana court and may be subject to division; however, the law places strict regulations on how such a division is to occur. **It is important for LASERS members to be aware of how their benefit may be impacted in the event of divorce.**

Community Property Division

Whether you are an active employee or a retiree of LASERS, your future or present retirement benefit could be subject to a Domestic Relations Order (DRO). A DRO is a legal document presented to the court and signed by a judge that provides instructions on how to divide a plan member's current or future benefit with an ex-spouse.

The Court has recognized two methods of apportioning a LASERS retirement benefit – a fixed percentage method and the present value method. The fixed percentage method, developed in the notable case *Sims v. Sims*, is most commonly used. The *Sims* formula considers the duration of the marriage compared to the member's total years contributing to LASERS. The formula allots 50% of the retiree's benefit earned during the marriage to the former spouse. Unless the order specifies otherwise, an individual's DROP and IBO accounts, and/or any lump-sum payments received will be divided using this same formula.

YEARS OF SERVICE DURING MARRIAGE ÷ **TOTAL YEARS OF SERVICE WITH LASERS** × **50%** of the retiree's benefit

The law requires that a court order be on file with LASERS before any community assets are divided. If such an order is not presented to LASERS, the retiree, not LASERS, will be held responsible for the payment of funds which may have been due to a former spouse. It is also important to note that payments will not be made to an ex-spouse until the LASERS member dies, retires, or terminates and refunds their contributions.

Retirement Option Beneficiary

At the time of retirement or entry into DROP, a member must select a retirement option that will suit his or her retirement needs. A member may elect to receive their full or "maximum" benefit; or they may choose to reduce their benefit in exchange for leaving a lifetime benefit to a beneficiary, such as a spouse. **A member cannot change their retirement option beneficiary except in the event of death of the beneficiary or divorce.**

Louisiana law sets out narrow requirements for effectuating an option change after divorce. **Louisiana Revised Statute 11§446(E) requires a retiree to obtain a Judgment of Divorce AND a court order in which the ex-spouse "irrevocably, by court order, relinquishes" his survivorship rights under the option originally selected by the retiree.** This means that a community property settlement or any other post-divorce judgment must contain this specific language and be signed by a judge to be sufficient.

It is also important to keep in mind that an option change only removes the current beneficiary and allows the member to "pop-up" to the maximum benefit. **There is no provision in law that allows a member to name a new beneficiary after retirement.**

Conclusion

The impact your divorce has on your retirement benefit is critical in a number of ways. Whether you are an active member or retiree, you are encouraged to reach out to the LASERS legal team if you are divorced or in the process of getting a divorce. LASERS provides sample court orders and can answer you or your divorce attorney's questions. ■

THE BOARD MEMO



Byron Decoteau, Jr., 2024 Board Chair

At the January Board meeting, I was honored to be elected as Chair of the Board for 2024. Virginia Burton was elected to serve as Vice Chair. Virginia has held many key positions throughout her tenure on the Board. We also welcomed those beginning new terms: Pam Diez, Deputy Undersecretary for the Department of Health, Cortny Jarrell, Human Resources Analyst for the House of Representatives, and Laura Lapeze, Undersecretary for the Department of Revenue. The Board also welcomes back Beverly Hodges as a retired member Trustee. Beverly previously served three terms as an active member Trustee and retired from the Department of Natural Resources.

In addition, new ex officio members are State Treasurer John Fleming, Commissioner Taylor Barras, and Rep. Tony Bacala (Chair of the House Retirement Committee). Sen. Ed Price, Chair of the Senate Retirement Committee, returns as an ex officio member.

It is always exciting to welcome new Board members as they bring fresh perspectives, enthusiasm, and different agency experiences to share with us. Together we have a common goal, and that is to uphold the LASERS mission “to provide a sound retirement plan for our members through prudent management and exceptional service.”

The annual Board of Trustees Workshop in January allowed Trustees to deepen their knowledge of System investments, portfolio structure, and performance. Trustees earned continuing education credit, which is required by law. You can trust that the Board continually strives to improve its understanding of this complex retirement system. I would like to thank and recognize the LASERS staff and our investment partners for providing such excellent training.

Over the next year, I will continue to focus on our significant Board issues:

- Preservation of the defined benefit plan for current and future LASERS members;
- Preservation of Board autonomy as well as its primary composition of elected active and retired members;
- Seek the reduction or elimination of the federal offsets, the Windfall Elimination Provision (WEP), and the Government Pension Offset (GPO); while continuing to oppose mandatory Social Security participation.

You can learn more about the LASERS Board of Trustees by visiting www.lasersonline.org/about/board-of-trustees/. ■

“ Together we have a common goal, and that is to uphold the LASERS mission... ”



Comments from our Members

“ [Nelly Johnson] was greatly enlightening and cordial. Great customer service, patient and prompt. ”

Janice D.
New Orleans, LA

“ Joey [Bishop] was very informative and answered all my questions. He explored other information that was beneficial to me. ”

Alice A.
Baton Rouge, LA

“ Just wanted to share my experience with a LASERS representative today [Derek Harris]. It was excellent. I’m getting close to retirement and to be truthful, it’s kind of scary. I want to make sure I ask the right questions. Mr. Harris not only answered my questions but also put me at ease. Just wanted to say thank you. ”

unknown



my **LASERS**

Annual Statements for 2023

Active members will receive annual member account statements in the mail in March. A *Member Connection* email will also be sent when statements are available in your myLASERS account. ■

Reminder! Actuarial Calculation Fee Increase



An increase in the actuarial calculation fee necessary for most purchases of service credit went into effect on January 1, 2024. **The fee for a single calculation increased from \$150 to \$200.** Each additional calculation will continue to cost \$50.

Service credit is earned for time that you worked in a LASERS-eligible position and made contributions to the System. In certain instances you may be able to purchase additional service credit. To learn more, review the Purchases of Service Credit chapter in the *Member's Guide to Retirement*. ■

ATTENTION

ACTIVEMEMBERS

GAIN NEW RETIREMENT KNOWLEDGE AT A LASERS SEMINAR

LASERS seminars provide essential information and tools to help you plan for retirement. We currently offer four seminars virtually and in-person:

- **New!** The **Calculating Your Retirement Benefit** virtual seminar explains how your LASERS benefit is calculated, reviews the benefit estimate calculator in myLASERS, offers a brief tutorial on how to create an estimate, and clarifies how to read and understand your estimate.
- The **Deferred Retirement Option Plan (DROP) vs. Initial Benefit Option (IBO) Plan** seminar defines the fundamental differences between the two retirement options, discusses how each is funded, and advises members on how and when to apply for these types of retirement.
- The **Pre-Retirement Education Program (PREP)** seminar is for LASERS members thinking about or approaching retirement. In this seminar, you will learn about eligibility requirements, types of retirement, and more.
- The **Early-Career** seminar introduces members to LASERS and the defined benefit retirement plan. This seminar is for LASERS members hired on or after January 1, 2011, but not within five years of retirement eligibility. We encourage registration for all new hires who meet the above requirements, especially those with no previous LASERS service.

Register by going to our website and clicking on *Register for a Seminar*. Scheduling conflict? A replay of the PREP and DROP vs. IBO seminars are available at www.lasersonline.org/resources/video-library/. ■



STATECIVILSERVICE

DUNBAR AWARD WINNERS FOR 2023

Winners of the 64th annual Charles E. Dunbar, Jr., Career Service Award, presented by the Louisiana Civil Service League, were recently announced. This award is presented to employees in a classified merit system who have distinguished themselves by service over and above the call of duty. The 12 honorees for 2023 are:

- Mona Chapman**
Dept. of Children and Family Services
- Brent C. Frederick**
Dept. of State Civil Service
- Richard Harbor**
Dept. of Transportation and Development
- Marla Jones**
LSU Agricultural Center
- Delinda Joseph**
Dept. of Culture, Recreation, and Tourism
- Darryl Mizell**
Dept. of Public Safety and Corrections

- Marcus Myers**
Dept. of Public Safety and Corrections
- Julie A. Ryan**
Dept. of State Civil Service
- Pamela Sapp**
LSU Agricultural Center
- Raymond Scriber**
Dept. of Culture, Recreation, and Tourism
- Leo Webb**
Jefferson Parish Parks and Recreation
- Randall Winters**
Dept. of Transportation and Development

ATTENTION

RETIRED MEMBERS

DROP RATE OF RETURN

The rate of interest to be paid on eligible (non-Self Directed Plan) DROP accounts for the fiscal year that ended June 30, 2023 is **5.57 percent**. This interest rate is based on a five-year actuarially smoothed return. The Public Retirement Systems' Actuarial Committee (PRSAC) approved the interest rate at its December meeting. Interest was posted to accounts 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.

For more information regarding DROP, see the *Deferred Retirement Option Plan* chapter in the *Member's Guide to Retirement*. ■

TAX FORM 1099-R

Form 1099-R for 2023 was mailed to retirees in January. You may also view your 1099-R information in myLASERS. To report an error or request a duplicate be mailed to you, please call us at 225.922.0600 (Baton Rouge) or 1.800.256.3000 (toll-free). If you have questions regarding your 1099-R, we suggest that you contact your tax advisor. ■

EFT NOTICES

Benefit notices (EFT notices) are only generated when there is a change to your gross, taxes, insurance, or credit union amounts and at the end of the year. These notices will no longer be mailed, but you can access them online through your myLASERS account. ■

JUNE 1, 2024 BENEFIT PAYMENT

Please note that the **June 1, 2024 benefit payment falls on a Saturday, which could affect receipt of your funds**. Direct deposits are guaranteed to be in your bank or credit union on the **first day** of the month.

Be aware that if the first falls on a weekend 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 monthly benefit payment by the first business day of the month, please contact LASERS at **225.922.0600** (Baton Rouge) or **800.256.3000** (toll-free). ■



Have you Heard of the Senior Freeze?

Many people in Louisiana do not realize that a law has been in place for years now that gives a big tax break to people 65 and older. This break or "special assessment" level is frequently called the "Senior Freeze," and it actually freezes the assessed value of the homestead for as long as the applicant owns and resides in the home, and income does not exceed the maximum allowed.

How does it work?

It is available for homeowners who are age 65 or older. If a married couple owns the home, then the age of the older person controls. Once the application for the Senior Freeze is approved that year, the special assessment is locked in for life.

Are there any catches?

The adjusted gross household income must be below a certain point. Call your parish tax assessor or check their website for this income amount as that level may change from year to year.

How do I apply?

The application form is available through your tax assessor's office along with details on the qualification process. Most parishes now require that you show them your last two years of 1040s. ■

ASK LASERS *Your Questions Answered*

Q: DOES LASERS HAVE INFORMATION ON MEDICARE SELECTION? IF SO, HOW CAN RETIREES ACCESS MEDICARE INFORMATION?

A: *LASERS encourages active members approaching retirement and retirees insured through the Office of Group Benefits (OGB) to learn more about how Medicare affects their insurance options, as well as how and when to apply for Medicare. As you or your spouse approach the age of 65, we strongly advise you contact OGB to ensure you understand your options. General information is on the **Medicare Information Page** on the Retirees section of the LASERS website. In addition to contacting the Office of Group Benefits, the **Senior Health Insurance Program (SHIP)** can provide valuable information on understanding Medicare and available benefits. Visit www.lidi.la.gov/SHIP or call 1.800.259.5300 to learn more.*

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

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