



PEERS

A PUBLICATION OF THE PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

ISSUE 34

March 2004

NEW LEGISLATION RELATED TO SOCIAL SECURITY

On March 2nd President Bush signed H.R. 743 making it Public Law 108-203. This new legislation makes a number of changes related to Social Security.

Of prime importance is Section 419, a provision requiring prior notice to all employees hired on and after January 1, 2005 concerning the offset of Social Security benefits when an employee or spouse receives a benefit from a public pension plan. Such offsets do not apply to Plan B employees as they contribute to both Social Security and Parochial.

We expect the Social Security Administration to draft suitable wording for this notice and when we learn of its availability, we will notify all employers.

As noted in the law, the employee will sign the notice evidencing receipt of the notice, a copy will be retained by the employer and another copy will be forwarded to our office in Baton Rouge.

This provision is designed to alert new hires to the possibility of their Social Security benefits being reduced if a public retirement system benefit is also paid to them. Currently, we hear from retirees who are disappointed to learn of the offset only after applying for Social Security benefits. This notice requirement will make each new employee aware, even before they are hired, that these offsets can affect them.

For other provisions in this bill, or even a copy of the bill, we suggest logging on to the website at: <http://thomas.loc.gov>. This is an excellent resource for keeping up with Congressional activity.

ADMINISTRATORS ROUND TABLE SCHEDULED APRIL 21

The operation of the Parochial Employees' Retirement System depends heavily on administrators at each participating employer. The more knowledgeable people in these positions are with regard to retirement, the more informed the members can be.

With this in mind, on April 21 we will conduct a retirement administrators round table at our office in Baton Rouge. This would be a great opportunity for someone new to retirement responsibilities to learn about the statutes, forms and procedures used in this work. For someone with more experience it would be a good opportunity to have questions answered and to meet our staff.

This event is new for us so we will limit attendance to the first eight people that contact us. We would like to start at 9:30 a.m. and expect to conclude about noon. Along with discussing procedures and forms, we will cover Deferred Retirement Option Plan (DROP), disability retirement and contribution submissions.

It is important that we know how many are coming, so it will be necessary to call Janice Beatty at 225-928-1361 to reserve a place at our round table. At that time Janice can provide directions to our office near the College Drive exit off I-10.

If the response justifies more events of this type, we will gladly do so later in the year.

“Life well spent is long.”

-LEONARDO DA VINCI

NEWLY HIRED EMPLOYEES AGE 55 AND OLDER

This is not a reprint of an earlier article—just a reminder of how important it is to handle new hires over age 55 according to the statutes. Newly hired employees age 55 and older who have at least 40 quarters of Social Security credits have an option to join Parochial. A special election form must be completed by all of those eligible for this option. The standard personal history form must also be completed if the individual wishes to participate in Parochial. They have 90 days from their date of hire to exercise the option and should be carried on Social Security rolls until the decision is made. If no positive election to participate in Parochial is made within 90 days, the employee will be deemed to have opted out of the retirement system.

Older new hires are becoming more common and making those who are eligible aware of this option is very important. Please call us if you have any questions.

PROPOSED LEGISLATION FOR THE 2004 SESSION

In advance of the upcoming regular Legislative session, we have asked that one bill be filed on behalf of Parochial. This bill will include four different changes with modest impact on our plan.

Below is a summary of those changes:

1.Change the provisions in DROP to provide that the default participation period is three years. This would require participants to sign up for three years, but would still allow participants to withdraw from participation before the three year period expired.

2.Clarify that interest is paid only to those who have completed DROP and have continued employment.

3.Add a provision that would allow a direct rollover from a 457 or 403(b) plan to repay refunded member contributions with interest and to purchase service credit as provided in the statutes.

4.Amend the statute which allows the Board to freeze the employer contribution rate. The change proposed would allow the Board to set the rate at a level between the recommended actuarial rate and the previous year’s employer rate.

The low impact nature of the proposed changes leads us to believe that passage is likely. No bill number has yet been assigned to this legislation.

“THE HUMAN RACE HAS ONLY ONE REALLY EFFECTIVE WEAPON AND THAT IS LAUGHTER.”

-MARK TWAIN (AMERICAN WRITER)

“NEVER STAND BEGGING FOR THAT WHICH YOU HAVE THE POWER TO EARN.”

ORDER FORM

Parochial Employees’ Retirement System

Please mail the following forms to: _____
(Name of Employing Parish)

We are in: Plan “A” ___ Plan “B” ___

How Many

- _____ Quarterly Reports
- _____ DROP Quarterly Reports
- _____ Refund of Contributions
- _____ Personal History
- _____ Retirement Application

How Many

- _____ Brochures
- _____ Personal History Update Forms
- _____ Election Form for New Employees
age 55 and older
- _____ Special Tax Notice

Date

Signature of Appointing Authority

IMPORTANT STUFF!

1099 FORMS: We have issued 1099 forms to all recipients of payments from Parochial last year. Retirees and employees receiving contribution refunds should have received these forms directly from our office. In the event someone due a form 1099 did not receive one, please have them contact our office.

NOTICES OF DEPOSIT: With the issuance of 1099 forms behind us, notices of deposit are being prepared. These notices reflect employee contribution balances as of December 31, 2003. As they are prepared, we will release them to the employers for distribution. Issuance should be complete by late March.

ACTIVATION OF MILITARY RESERVISTS: The activation of military reservists continues to be a possibility in our state. When these callups involve parish employees it is important to understand the options they have as Parochial members. Basically, the member may make arrangements to continue retirement contributions during the tour of active duty, make these payments upon the return to parish employment or to forego contributions altogether. The subject was covered in more detail in the April and July 2003 issues of this newsletter.

If you have an employee called to active duty or even if their unit is merely put on alert, you may want to discuss the options before they leave for duty. Please call us if questions arise on this important issue.



NEW CONTRIBUTION RATES: First quarter contributions will be the first to employ new employer contribution rates. In Plan A the employer rate is now 11.75% and in Plan B the employer rate is 5.25%. Please keep these levels in mind when submitting contributions.

BOARD OF TRUSTEES

Reagan Sutton, Chairman	Lincoln Parish
Gwen B. LeBlanc	Ascension Parish
Terrie T. Rodrigue	Jefferson Parish
Thomas Nelson	Police Jury Association
Jerry Milner	Calcasieu Parish
Rep. Pete Schneider	House Retirement
Sen. Lambert Bossiere	Senate Retirement

ADMINISTRATIVE PERSONNEL

Tom Sims, CFA	Administrative Director
Dainna S. Tully	Assistant Director
Becky Fontenot	Benefits Analyst
Bobbie Deloney	Systems Analyst
Jean Sullivan	Bookkeeper
Geraldine Ferguson	Data Entry Specialist

PERS NEWS is a quarterly publication of the Parochial Employees' Retirement System of Louisiana, located at 5420 Corporate Blvd., Suite 103, Baton Rouge, Louisiana 70808.

aTelephone Number (225) 928-1361 aFAX Number (225) 923-0933

April

2004

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
				1	2	3
4	5	6	7	8	OFFICE CLOSED HAPPY EASTER	10
 Happy Easter	12 Cut-off for 4/15 Refunds	13	14	15 1st Quarter Reports Due in office	16	17
18	19	20	21	22	23	24
25	26	27 Cut-off for 5/3 Refunds	28	29	30 Retiree Checks Mailed	

May

2004

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
						1
2	3	4	5	6	7	8
 Mother's Day	10	11	12 Cut-off for 5/17 Refunds	13	14	15
16	17	18	19	20	21	22
23	24	25	26 Cut-off for 6/1 Refunds	27	28 Retiree Checks Mailed	29
30	Office Closed Memorial Day					

June

2004

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
		1	2	3	4	5
6	7	8	9 Cut-off for 6/15 Refunds	10	11	12
13	 FLAG DAY	15 2nd Quarter Report Forms mailed out	16	17	18	19
 Father's Day	21	22	23	24	25 Cut-off for 7/1 Refunds	26
27	28	29	30 Retiree Checks Mailed			