



PERS NEWS

A PUBLICATION OF THE PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

ISSUE 45

April 2007

ACTUARIAL COST OF LEAVE CONVERSION

Our new plan of benefits for new hires went into effect January 1, 2007. The provisions of this new plan were outlined in the January issue of *PERS News* which can be accessed on our website www.persla.org.

One of the provisions of the new plan of benefits provides that the employer will pay the actuarial cost of leave conversion at the time that a member retires. This provision applies to employees hired January 1, 2007 and later. We have recommended that employers review their leave accrual policies for employees hired 1/1/07 and later. In order to help you understand the potential liability that you may face, we prepared the following examples of the actuarial cost of leave conversion using the following assumptions:

Retiree #1 – Age 67 with 25 years of service and final average compensation of \$60,000 with 260 days of leave to convert at retirement. The actuarial cost of converting 260 days of leave in this case is estimated at \$14,215.76 for a male employee and \$16,498.92 for a female employee. If the employer's leave accrual policy limits leave accrual to 90 days, then the actuarial cost for this same scenario drops to \$4,920.84 for a male member and \$5,711.16 for a female member.

Retiree #2 – Age 55, 30 years of service and final average compensation of \$79,000 with 130 days of leave to convert at retirement. The actuarial cost of converting 130 days of leave in this case is estimated at \$12,066.98 for a male member and \$12,982.82 for a female member. If the employer's leave accrual policy limits leave accrual to 90 days, then the actuarial cost for this same scenario drops to \$8,354.06 for a male member and \$8,988.11 for a female member.

Retiree #3 – Age 62, 10 years of service and final average compensation of \$48,000 with 90 days of leave to convert at retirement. The actuarial cost of converting 90 days of leave in this case is estimated at \$4,470.72 for a male member and \$5,001.13 for a female member.

These examples are provided to educate employers on the potential liability that leave conversion will represent. Although the actuarial cost of leave conversion will not be paid until new employees hired 1/1/07 and later actually retire, it is a cost to take under consideration today. If you have questions concerning these examples, please contact Dainna Tully or Becky Fontenot for assistance.

FIRST QUARTER CONTRIBUTIONS DUE APRIL 15

Quarterly reports for the first quarter of 2007 are due in the retirement system office on April 15, 2007. This deadline applies to both regular reports and DROP reports. R.S. 11:2014 C states that payments shall be considered delinquent when not **received** by the system within fifteen days after the close of each fiscal quarter. This statute also provides that a penalty of 1 ½% per month may be assessed on delinquent payments.

If you will be sending your report close to the deadline, you may want to utilize an overnight delivery service. Although the charges for overnight delivery do exceed first class mail delivery, it will assure that your report is received in our office by the required deadline and will likely be much less expensive than the penalty of 1 ½% of the total remittance.

April 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2 4/2 Refunds Mailed	3	4	5	6 Office closed GOOD FRIDAY	7
Happy Easter 	9	10	11 Cut-Off for 4/16 Refunds	12	13	14
15	16 4/16 Refunds Mailed Qtrly Reports Due	17	18	19	20	21
22	23	24	25 Cut-Off for 5/1 Refunds	26	27	28
29	30 Retiree Checks Mailed					

May 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1 5/1 Refunds Mailed	2	3	4	5
6	7	8	9 Cut-Off for 5/15 Refunds	10	11	12
Happy MOTHERS DAY 	14	15 5/15 Refunds Mailed	16	17	18	19
20	21	22	23	24	25 Cut-Off for 6/1 Refunds	26
27	28 Office Closed Memorial Day	29	30	31 Retiree Checks Mailed		

June 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1 6/1 Refunds Mailed	2
3	4	5	6	7	8	9
10	11 Cut-Off for 6/15 Refunds	12	13	14	15 6/15 Refunds Mailed Qtr Reports mailed	16
	18 Board Meeting	19	20	 Summer Begins	22	23
24	25	26 Cut-Off for 7/2 Refunds	27	28	29 Retiree Checks Mailed	30

ASSISTANT DIRECTOR

Effective January 1, 2007, the Board of Trustees appointed Becky Fontenot as the Assistant Director of the Parochial Employees' Retirement System. Becky joined PERS on May 1, 2002 as a Benefits Analyst. Prior to being appointed Assistant Director, Becky served as the system's Benefits Administrator.

Becky has over 29 years of pension administration experience with both corporate and government plans. She has several professional designations including Certified Employee Benefits Specialist (CEBS), Certified Retirement Counselor (CRC) and Certified Retirement Administrator (CRA). For those who have worked with Becky, you know that she is truly an asset to this retirement system.

DID YOU KNOW?

The Parochial Employees' Retirement System (PERS) is the third largest governmental defined benefit plan in the state of Louisiana in terms of assets. The Teachers Retirement System is the largest followed by the Louisiana State Employees' Retirement System in second place.

In a nationwide survey of retirement plans, PERS is 492 in the Top 1,000 Pension Funds as ranked by *Pensions & Investments Magazine*.

MONTHLY REPORTING

In the January issue of PERS News, we discussed the availability of monthly submission of contributions to all employers. Two large employers, Jefferson Parish and Calcasieu Parish, joined the ranks of those entities already reporting monthly. The more frequent reporting does have its advantages. In order to process refunds, release first retirement checks or DROP lump sum payments, all contributions must be remitted through the employee's last day of employment. With monthly reporting, these distributions are able to be processed in a more timely fashion.

If your office would like to pursue monthly reporting, simply make copies of the quarterly report form and submit these each month along with a hard copy of your member data and a disk containing this data for quick and efficient download at our office. You can contact Dainna Tully to obtain more information on monthly reporting.

ORDER FORM

Parochial Employees' Retirement System

Most of these forms can be found on our website: www.persla.org

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

We are in: Plan "A" ___ Plan "B" ___

How Many

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

How Many

- _____ DROP Quarterly Reports
- _____ Election Form for New Employees age 55 and older
- _____ Special Tax Notice
- _____ SSA 1945 Statement concerning Employment in a Job not covered by Social Security

Date

Signature of Appointing Authority

FEDERAL LEGISLATION PROPOSED TO REPEAL GPO & WEP

Several pieces of Federal legislation propose to either repeal or restrict the application of Social Security's Government Pension Offset (GPO) and /or Windfall Elimination Provision (WEP).

HR 726 is referred to as the Windfall Elimination Provision Relief Act of 2007. This bill restricts the application of WEP to individuals whose combined monthly income from benefits exceeds \$2,500. As written, WEP would not apply to those who receive less than \$2,500 per month in benefit income.

S 206 is referred to as the Social Security Fairness Act of 2007. This bill would repeal the GPO and WEP.

HR 82 is also referred to as the Social Security Fairness Act of 2007. Like S 206, this bill would repeal the GPO and WEP.

This is a summary of proposed Federal Legislation. We will continue to monitor the progress of these bills in Congress. Remember, none of these bills have become law.

We are always
here to
help!



AUDIT CONFIRMATIONS

Our audit firm, Duplantier, Hrapmann, Hogan & Maher, will begin their annual audit work this month. A random sample of participating employers will receive correspondence directly from Duplantier asking for verification of information. If you receive a letter from Duplantier, please respond quickly as this facilitates an efficient audit process for the retirement system.

NOTICES OF DEPOSIT

During the months of March and April, our office will begin to prepare and mail notices of deposit. These notices reflect individual employee contribution balances as of December 31, 2006. We anticipate that all notices should be mailed by April 30, 2007. Your assistance in distributing these notices to the members will be appreciated.

CONTRIBUTION RATES FOR 2007

The quarterly report forms submitted with this issue reflect the change in employer rates for 2007. In Plan A the rate is changed to 13.25%. In Plan B, the rate is changed to 6%. Please keep these new rates in mind when preparing your reports.

BOARD OF TRUSTEES

Terrie Rodrigue, Chairman	Jefferson Parish
Gwen B. LeBlanc	Ascension Parish
Tim Ware	Rapides Parish
Jerry Milner	Calcasieu Parish
Rep. Pete Schneider	House Retirement
Sen. Butch Gautreaux	Senate Retirement
Will Langlinais	Police Jury Assn

ADMINISTRATIVE PERSONNEL

Tom Sims, CFA	Chief Investment Officer
Dainna S. Tully	Administrative Director
Becky Fontenot	Assistant Director
Bobbie Deloney	Systems Analyst
Jean Sullivan	Bookkeeper
Geraldine Ferguson	Data Entry Specialist
Eddie Dimaio	Receptionist

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.

☎ Telephone Number (225) 928-1361 FAX Number (225) 923-0933

🌐 Website: www.persla.org