

PERS NEWS

A PUBLICATION OF THE PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

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RECESSION IMPACT FELT IN INVESTMENT PORTFOLIO

The economic decline of 2008-09 has been headline news since last summer and its scale warrants this attention. January and February results added to the disappointment as illustrated by the performance of four significant securities benchmarks shown below. Importantly, the 2008 calendar year results are a major factor in determining contribution levels for 2010. Please review the article on page 3 related to employer contributions for more information.

	<u>2008</u>	<u>2009</u>		
		Jan	Feb	Mar (thru 3/17)
Dow Jones Industrial Average-30 Large cap names	-31.46%	-8.63%	-11.19%	+4.88%
Standard & Poor's 500-500 Large cap names	-37.00	-8.43	-10.64	+6.01
MSCI EAFE-International developed countries	-43.09	-9.81	-10.26	+1.42
MSCI EM-Emerging market countries	-53.49	-6.58	-5.67	+8.62

It is important to note that virtually all asset classes were affected and roughly to the same degree. U S Treasury securities and gold, two assets not usually found in large quantities in US pension fund portfolios, were about the only asset classes to avoid severe declines in 2008. Reducing risk through diversification of asset classes simply did not offer the portfolio protection we would expect.

Because Parochial's fixed income assets generally held up fairly well, total portfolio returns were down about 25% in both Plan A and Plan B for the full calendar year. As disappointing as these returns are, they leave us right at the median of a universe of 53 public plans measured by RogersCasey, an investment consulting firm.

As of March 17, the month-to-date returns show a nice rebound for stocks with the Dow Jones Industrial Average up 4.88% and the S&P 500 up 6.01%. Internationally, a major index for developed countries is up 1.42% while a major index for emerging markets has risen 8.62%. As welcome as this market move is, few would be so bold as to call this the beginning of the recovery. Nevertheless, the market activity in mid-March is beneficial in building a degree of confidence in a segment of investors.

One economist has estimated that Americans have lost \$13 trillion in housing and stock market values since mid-2007. There will be no quick restoration of these values and certainly more erosion in the near-term is possible.

However, there is no measure that likens this economy to that of the depression of the 1930's. Further, the new administration, the Congress, the Federal Reserve and numerous other agencies are taking action and advancing programs to address what is likely the longest recession since World War II. As important as these actions are, however, it will take time for these measures to produce the desired results. While estimates vary greatly, a consensus seems to have formed around late 2009 or early 2010 as the start of our economic recovery.

DID YOU KNOW?

The Parochial Employees' Retirement System was ranked #539 out of the 1,000 Largest Plan Sponsors by Pensions & Investments magazine.

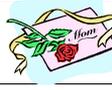
INSIDE THIS ISSUE

Financial Market Update	page 1
Quarterly Calendar	page 2
Order Form	page 3
1099-R and Notices of Deposit	page 4

April 2009

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			4/1 Refunds mailed	2	3	4
5	6	7	8	Cut-off for 4/15 refunds	Office Closed for Good Friday	11
Happy Easter. 	13	14	4/15 refunds mailed	16	17	18
19	20	21	22	23	24	25
26	27	Cut-off for 5/1 refunds	29	30		

May 2009

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					5/1 refunds mailed	2
3	4	5	6	7	8	9
Mothers Day 	11	Cut-off for 5/15 refunds	13	14	5/15 refunds mailed	16
17	18	19	20	21	22	23
24	Closed for Memorial Day 	26	Cut off for 6/1 refunds	28	29	30
31						

June 2009

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	6/1 refunds mailed	2	3	4	5	6
7	8	9	Cut-Off for 6/15 refunds	11	12	13
14	Board Meeting 6/15 refunds mailed	16	17	18	19	20
Fathers Day 	22	23	24	25	Cut-off for 7/1 refunds	27
28	29	30				

EMPLOYER CONTRIBUTION INCREASE ANTICIPATED FOR 2010

As indicated in the lead article of this issue of *PERS News*, the investment markets have taken their toll on retirement systems in 2008, and our system was not excluded.

As a result of the negative investment returns for 2008, employers can expect an increase in the employer contribution rate effective 1/1/2010. PERS does utilize 5 year smoothing to help protect the plan from extreme fluctuations in the investment markets. Even with the utilization of 5 year smoothing, our actuary anticipates unprecedented increases in the employer contribution rates for both plans. The actuarial valuation for the year ending 12/31/08 will determine the contribution rate required from the employers beginning 1/1/2010. This valuation will be completed in June of 2009. As soon as the valuation is complete, we will contact all participating employers to provide the employer contribution rate required for 2010.

The Board of Trustees has authorized the introduction of legislation to help mitigate the anticipated increase in the employer contribution rate in 2010. This bill would allow the Board to utilize any excess contributions collected to help fund future employer contribution increases. Currently, state law requires the Board to apply all excess contributions toward paying down the Unfunded Accrued Liability (UAL) of the system. The Board has utilized this provision numerous times and has been able to reduce the payment schedule

of the UAL by 14 years. Originally the UAL was scheduled to be paid down by 2029, but with the prepayments made it will now be paid down by 2015. Once a bill number has been assigned, we will provide this information to all participating employers. We ask that you contact your state senator and representative and ask that they support this important piece of legislation. If you have any questions concerning the information presented, please contact Dainna Tully at (225)928-1361.

FIRST QUARTER CONTRIBUTIONS DUE APRIL 15

Quarterly reports for the first quarter of 2009 are due in the retirement system office on April 15, 2009. 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.

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:

_____ Refund of Contributions

_____ DROP Applications

_____ Retirement Application

_____ Brochures

The following forms can be printed from our website:

- Quarterly/Monthly Reports—Regular and DROP
- Personal History Update Forms
- Personal History Forms
- 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

CONTRIBUTION RATES FOR 2009: The quarterly report forms submitted for the first quarter of 2009 reflect a change in employer rates. In Plan A the rate is changed to 12.25%. In Plan B, the rate is changed to 6.25%. Please keep these new rates in mind when preparing your reports.

REPORTING VIA DISK: Our office is grateful for those employers who remit their salary and contribution data via disk. By allowing us to directly download this information, we are able to post information more accurately in a quicker time frame. We have noticed that some employers paper clip their disk to the report. Disks can become damaged and bent when clipped to a report. It is best to either send the disk in a protective disk mailer or wrap the disk in bubble wrap if placing in an envelope.

AUDIT CONFIRMATIONS: Our audit firm, Duplantier, Hrapmann, Hogan & Maher, has sent correspondence to a random sample of participating employers asking for verification of information. If you have not completed this information and returned it to Duplantier, please do so as soon as possible. Your prompt response will facilitate an efficient audit process for the retirement system.

MONTHLY REPORTING: Monthly submission of salary and contribution data is something that our retirement system welcomes. 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.

NOTICES OF DEPOSIT: Our office has mailed all notices of deposit to participating employers. These notices reflect individual employee contribution balances as of December 31, 2008. We appreciate each employers help in distributing these notices to the members.

APPLICATIONS FOR ACTUARIAL TRANSFER: Members who have service credit in another state or statewide retirement system in Louisiana can apply to transfer that service credit once they have 6 months of service credit in PERS. The application for actuarial transfer can be found on our website, www.persla.org. The member must submit the original application to our office for processing. Please contact Dainna Tully or Becky Fontenot at (225) 928-1361 with questions concerning transfers of service.

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Becky Fontenot	Assistant Director
Bobbie Deloney	Systems Analyst
Jean Sullivan	Bookkeeper
Geraldine Ferguson	Data Entry Specialist
Eddie Dimaio	Receptionist

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