

PERS NEWS

A PUBLICATION OF THE PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

ISSUE 70

July 2013

2012 AUDIT AND ACTUARIAL REPORTS APPROVED

At the June 24, 2013 meeting, the Board of Trustees approved the 2012 Audit and 2012 Actuarial Report for the Parochial Employees' Retirement System. The 2014 employer contribution rates were approved at 16.0% of payroll for Plan A and 9.25% of payroll for Plan B.

The best news presented in the actuarial valuation is the payoff of the Unfunded Accrued Liability (UAL) in Plan A! The payoff of the UAL comes 17 years ahead of schedule. This was achieved under the direction of the Board of Trustees to make prepayments on the UAL beginning in 1998. This is a milestone worth celebrating!

Now on to the investment return of the plans. Our assumed rate of return is 7.5%. The market rate of return was 15.6% for Plan A and 15.8% for Plan B for the year ending 12/31/12. Although these rates exceeded our assumed rate of return, the actuarial rate of return, which uses a five year average, was actually below 7.5%. The valuation for 12/31/12 is the last that will contain the negative rates of return from 2008 in the five year smoothing. We view the roll off of these returns in the average to be a positive for future valuations.

For the valuation for the year ending 12/31/12, salary increases were within the assumed ranges and resulted in a cost savings to the plan. Our actuary assumes that the salary scale for the membership will increase 5.75% from one year to the next. When salaries increase in excess of this assumption, this results in a cost to the plan. When salaries increase at or below this assumption, plan savings result.

Although the employer rates have been approved by the Board of Trustees, approval by the Public Retirement Systems' Actuarial Committee (PRSAC) is necessary to make these rates official for 2014. For budgeting purposes, employers are urged to utilize the rates approved by the Board of Trustees. Our office will notify you as soon as PRSAC has approved the rates for 2014.

You may find the following information contained in this year's reports useful. Assets in Plan A increased from \$2.23 billion at December 31, 2011 to \$2.58 billion at December 31, 2012. Assets in Plan B increased from \$165.6 million at December 31, 2011 to \$196.5 million at December 31, 2012. The funded ratio for Plan A increased from 98.45% at December 31, 2011 to 100% at December 31, 2012. Plan B remains over 100% funded.

CONTRIBUTION RATES SET FOR 2014

The employer rate for Plan A will decrease to 16.0% and the employer rate for Plan B will decrease to 9.25% effective January 1, 2014. Employee rates will remain at current levels for 2014. The employee contribution rate for Plan A is 9.5% while the employee rate for Plan B is 3%.

BOARD UNABLE TO GRANT COLA'S TO RETIREES

As a result of the 2012 actuarial report, the Board of Trustees was unable to grant a cost of living adjustment to retirees. COLA's are not guaranteed to be granted to retirees each year. State law requires that the system must earn in excess of 7.5% (our actuarial rate of return) in order to grant a COLA to retirees. The system did not earn the excess interest required and therefore, is unable to grant a COLA to retirees effective January 1, 2014.

ADMINISTRATIVE TRAINING WORKSHOP

Our office will host the annual administrative training workshop in Baton Rouge on Tuesday, October 1, 2013 at the Renaissance Hotel. This session is designed specifically for those who work with the retirement system in your parish or agency. This training is not appropriate for employees with questions on their own retirement account.


A registration form is included on page 3 of this newsletter. Each attendant must complete a registration form in order for us to prepare for the correct number of attendees. Information on hotel rooms for the night of September 30, 2013 is included on the registration form as well as a tentative agenda.

Questions concerning the administrative workshop should be directed to Dainna Tully at (225)928-1361.

COPIES OF AUDIT AND ACTUARIAL REPORTS ONLINE

The Audit and Actuarial reports for the year ending 12/31/12 are posted on the retirement system's website (www.persla.org). Each employer should download the reports or share our website with your auditors as needed. Hard copies of these reports will not be mailed, but will remain available on our website.


July 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	CLOSED  4TH OF JULY	5	6
7	8	9	10 CUT-OFF FOR 7/15 REFUNDS	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29 CUT-OFF FOR 8/1 REFUNDS	30	31			

August 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12 CUT-OFF FOR 8/15 REFUNDS	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28 CUT-OFF FOR 9/3 REFUNDS	29	30	31

September 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	CLOSED LABOR DAY 	3	4	5	6	7
8	9 BOARD MEETING	10	11 CUT-OFF FOR 9/16 REFUNDS	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26 CUT-OFF FOR 10/1 REFUNDS	27	28
29	30					

**PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATIVE TRAINING SESSION
OCTOBER 1, 2013
Renaissance Hotel 7000 Bluebonnet Blvd**

Tentative Agenda

8:30-8:55 a.m.	Registration
9:00-10:00 a.m.	Review of Plan Investments
10:00-11:00 a.m.	Actuarial Funding and Valuation
11:00-Noon	Administrative Review

This session is designed for those at the parish or agency level who administer the retirement plan. In order to properly plan for those in attendance, the following form must be completed for each attendee and mailed to PO Box 14619, Baton Rouge, LA. 70898 by **September 27, 2013.**

Name _____

Title _____

Employer _____

Address _____

Work # _____ Fax # _____

Please list below any questions you would like addressed during this training:

Accommodations

A block of rooms is being held at the Renaissance Hotel. The rate for this block is \$124 per night (not inclusive of applicable taxes). Please contact the Renaissance Hotel directly at (225) 215-7000 to make hotel reservations and request the block for the Parochial Employees' Retirement System. The block will be released on 8/30/13. After this date, accommodations will be subject to availability and rates may increase.

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
- Forfeiture of Retirement Benefits Attestation

SECOND QUARTER CONTRIBUTIONS DUE JULY 15: Quarterly reports for the second quarter of 2013 are due in the retirement system office on July 15, 2013. 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 shall 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.

OFFICIAL QUARTERLY/MONTHLY REPORT FORMS REQUIRED: When submitting salary and contribution data to our office, we require all employers to utilize the quarterly or monthly report forms that we provide prior to the end of each calendar quarter. If you require additional forms, please download the current quarterly or monthly report form from our website www.persla.org under the Forms tab. Using an old form can result in payment of an incorrect employer contribution amount. In addition, employers are not allowed to make an adjustment to a quarterly or monthly report for an overpayment in a prior period. If an overpayment has occurred, you must submit a written request for the return of funds. Quarterly report forms are mailed once each quarter to all participating employers. These forms are also available on our website

REPORTING RETIREE INFORMATION: When reporting the death of a retiree to our office, please be prepared to confirm the mailing address of the beneficiary and the Social Security number of the beneficiary. This information is necessary for us to contact the retiree's beneficiary and to properly report any payments on Form 1099-R.

Retirees who wish to change the receipt of their monthly benefit from a check to an electronic deposit should send the Electronic Deposit Form to our office by the 15th of each month. If this form is received later than the 15th, we may not be able to make the change to electronic deposit by the first of the following month.

PERSONAL HISTORY UPDATE: A revised Personal History Update form has been added to our website. Please use this updated form for any changes to an active member's information. The main change is the notarized consent of the member's spouse to a beneficiary change. According to Federal law, a spouse must consent to the change of beneficiary if still married to the member at the time the change is made. If the old form is submitted to our office, it will be returned and the member will be asked to complete the new form. If the member is divorced, then a copy of the divorce judgment must be attached to the change form. If the member's spouse is deceased, then a copy of the death certificate must be attached to the change form. If you have any questions concerning this new Personal History Update form, please contact Dainna Tully.

CONTRIBUTIONS PROHIBITED ON CERTAIN TYPES OF PAYMENTS: Louisiana Revised Statute 11:233 B(2) provides specific types of payments that are excluded from "earnable compensation" for purposes of this retirement system. Lump sum payments made in lieu of unused annual or sick leave, car allowance, bonuses, and severance pay are among the payments that are excluded. Employee and employer contributions cannot be withheld from any of the types of payments listed in this section of the law.

In addition, our definition of earnings contained at R.S. 11:1902 (11) states "earnings shall not include fees or commissions." Employee and employer contributions cannot be withheld on fee or commission payments.

If you have any questions about whether a type of payment qualifies as earnings or earnable compensation for retirement purposes, please contact Dainna Tully or Becky Fontenot

ACTUARIAL TRANSFER OF SERVICE: Once a member has six months of service credit in the Parochial Employees' Retirement System, he can apply to transfer service credit from another Louisiana state or statewide retirement system. The member must submit the Application for Actuarial Transfer of Service, which can be found on our website www.persla.org. **Effective July 1, 2013, an application fee of \$100 must accompany all transfer applications submitted to the retirement office.**

BOARD OF TRUSTEES

Terrie Rodrigue, Chairman	Jefferson Parish
Gwen B. LeBlanc	Ascension Parish
Tim Ware	Rapides Parish
Jerry Milner	Calcasieu Parish
Sandy Treme	Police Jury Assn
Rep. J. Kevin Pearson	House Retirement
Sen. Elbert Guillory	Senate Retirement

ADMINISTRATIVE PERSONNEL

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

PERSNEWS is a quarterly publication of the Parochial Employees' Retirement System of Louisiana, located at 7905 Wrenwood Blvd., Baton Rouge, Louisiana 70809.

☎ Telephone Number (225) 928-1361

☎ FAX Number (225) 923-0933

🌐 Website: www.persla.org