



PERS NEWS

A PUBLICATION OF THE PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

ISSUE 69

April 2013

2012 INVESTMENT RETURNS

In the March issue of our newsletter last year, we alluded to the volatility that exists in securities markets. The basis for this observation was the disappointing investment return of approximately -0.6% in 2011 which followed strong positive returns in 2010 and 2009.

Now, we have more evidence of market volatility in the form of investment returns in excess of +15%, net of fees, for both Plan A and Plan B in 2012. Moreover, January 2013 results continued the welcome news with a net return of +3% in each plan.

Investment returns are a major factor, but not the sole factor, in establishing contribution rates. An evaluation of the age, sex, years of service, salaries and other characteristics of our membership is also important in setting necessary contribution rates.

While our actuary utilizes a smoothing technique over rolling five year periods to reduce the impact caused by these factors in any one year, in the end all changes in these factors eventually find their way into the contribution rate calculation.

Although we have had very attractive investment performance in three of the last four years, we must still consider a portion of the disappointing results of 2008 in one more calculation. Further, with so many factors used to determine the necessary contribution rates, we must await the completion of the actuary's work before 2014 contribution rates can be known.

The actuary's valuation is prepared in conjunction with the auditor's report and both will be presented to our Board at the meeting on June 24. Any changes that may result in contribution rates will be communicated to participating employer groups shortly after the June meeting. Should any contribution rate changes occur, they would go into effect on January 1, 2014.

As we prepare this issue of the newsletter, the stock market is establishing record highs as measured by the Dow Jones Industrial Average and nearing all-time highs for the S&P 500. Meanwhile, interest rates are on the low end of their historic range and action by the Federal Reserve appears set to maintain this condition.

Our investment portfolio has had a very nice run over the past year. While future performance is unknown, we are confident that the diverse asset mix that we employ will continue its usefulness by reducing the risk of concentrated positions yet allowing participation in advances in any of numerous market segments.

FORFEITURE OF RETIREMENT BENEFITS ATTESTATION

As required by Louisiana Revised Statutes 11:293, all individuals employed on or after January 1, 2013 are required to sign the attestation form that can be obtained at www.persla.org. State law requires that the employer maintain the original form. **Please do not submit this form to the retirement system office.**

FIRST QUARTER CONTRIBUTIONS DUE APRIL 15

Quarterly reports for the first quarter of 2013 are due in the retirement system office on April 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.

IMPORTANT: Your report must be received in our office by April 15, 2013, in order to avoid a late penalty. Delivery of reports received on or after Tuesday, April 16, 2013 will be considered late and a late penalty will be assessed.

CONTRIBUTION RATES FOR 2013

Contribution rates for 2013 have been set. In Plan A the employer rate increases slightly to 16.75% while the employee rate remains 9.5%. In Plan B, the employer rate remains 10.00% while the employee rate remains 3.0%

April 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1st Refunds mailed	2	3	4	5	6
7	8	9	Cut-off for 4/15 Refunds	11	12	13
14	15th Refunds mailed	16	17	18	19	20
21	22	23	24	25	Cut-off for 5/1 Refunds	27
28	29	30				

May 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1st Refunds mailed	2	3	4
5	6	7	8	9	Cut-off for 5/15 Refunds	11
12	13	14	15th Refunds mailed	16	17	18
19	20	21	22	23	24	25
26	Closed for Memorial Day	28	Cut-off for 6/1 Refunds	30	31	

June 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3rd Refunds mailed	4	5	6	7	8
9	10	11	Cut-off for 6/15 Refunds	13	14	15
16	17	18	19	20	21	22
23	Board Meeting	25	Cut-off for 7/1 Refunds	27	28	29
30						

APPLICATIONS FOR ACTUARIAL TRANSFER

Members who have service credit in another state or state-wide 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.

2013 REGULAR LEGISLATIVE SESSION

The 2013 Regular Legislative Session will convene on Monday, April 8, 2013 and will adjourn no later than June 6, 2013. The Board of Trustees has not sponsored any legislation for this session. The retirement system staff will monitor all bills that are filed to determine the impact on the retirement system. Please contact Dainna Tully at (225)928-1361 if questions arise concerning proposed legislation.

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 clipping 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. Our office also accepts data via CD.

ACCURATE INFORMATION ON PERSONAL HISTORY FORMS

Please verify all information on the Personal History form, including the member's Social Security number. It is imperative that the Social Security number reported on the Personal History form match the Social Security number reported on the Quarterly Report form for that member. All contributions are posted by Social Security number. If the Social Security number reported on the Quarterly report is incorrect, those contributions and salary could be posted to another member's account. Errors that occur because of incorrect Social Security numbers reported by an employer are the responsibility of that employer.

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

EARNABLE COMPENSATION DEFINED

Our office audits salary history at the time a member requests an estimate of benefits and again at the time of application for retirement or DROP. During some of these audits, we find that contributions have been made on forms of payments that are not allowed under our definition of earnings and earnable compensation. When ineligible payments are made, the system must return the employee contributions attributable to the ineligible wages to the member. Employer contributions made on the ineligible wages can only be returned for those wages reported within the past 12 months.

Regular wages and overtime are includable for purposes of determining earnable compensation for retirement purposes. R.S. 11:1902 (11) provides the definition cited in the previous sentence in more detail. This statute also states that earnings shall not include fees and commissions. R.S. 11:233 B provides for additional exclusions from the definition of earnable compensation. Car allowances, lump sum payments for annual and/or sick leave, bonuses, and terminal pay are some of the exclusions provided for in this statute. If you have a question regarding whether a specific type of payment is subject to retirement withholding, please contact Dainna Tully or Becky Fontenot at (225)928-1361.

AUDIT CONFIRMATIONS

Our audit firm, Duplantier, Hrapmann, Hogan & Maher, will be sending correspondence to a random sample of participating employers asking for verification of information. If you receive a verification request, please return it to Duplantier 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 will soon be mailing notices of deposit to participating employers. These notices reflect individual employee contribution balances as of December 31, 2012. We appreciate each employer's help in distributing these notices to the members. We are striving to have all statements printed and mailed by April 30, 2013

DID YOU KNOW?

In a recent survey by *Pensions & Investments Magazine*, The Parochial Employees' Retirement System ranked 471st out of the top 1000 retirement funds in a ranking by total assets.

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
Virginia Eckert	Receptionist

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