

# RETIREE NEWS

Issue No: 11

August 2009

## 2008 INVESTMENT MARKET OVERVIEW

In 2008 there was almost no place for investors to hide. Widely diversified portfolios such as Parochial's are expected to offer protection through the absence of risky concentrations in one or two sectors. However, 2008 did not fare that way as, except for U.S. Treasury issues, virtually all asset classes produced negative results.

News of the current recession continues to be of the headline variety, as it deserves. Whether it is a bankruptcy filing, unemployment figures, or the Federal budget deficit, the weakened economy is receiving substantial attention from the media and from the general public.

On a positive note, since February, there has been a nice recovery; particularly in stocks. This development has enabled us to post positive returns of about 4.3% for the first two quarters of 2009. Although there are still many hurdles in front of a widespread economic recovery, Parochial's financial condition remains healthy with a strong cash flow built of contributions and investment income.

## DELIVERY OF MONTHLY BENEFIT CHECKS

It is important for retirees who choose this method of payment to understand that our checks are delivered by the U.S. Postal Service (USPS). Each month our staff prepares these checks to be delivered to the post office on the last business day of the month. Once the checks are delivered to the post office, we no longer control delivery. It is at this point that the post office takes control of the delivery of the checks.

Possible changes to the delivery schedule for the USPS could impact the delivery of all mail, including retirement checks. Postmaster General John E. Potter testified before the U.S. Senate and requested that Congress lift the requirement that the USPS deliver mail six days a week. The USPS is looking at the possibility of skipping a day when mail flow is light.

Our policy requires that we allow the USPS 10 business days to deliver retirement checks. Only after 10 business days have elapsed will we place a

stop pay on the lost check and issue a replacement check.

We understand the importance of prompt receipt of your benefit payment. You can be assured that all benefit checks are delivered to the post office on the last business day of each month and are mailed first class.

If you would like to begin receiving your monthly benefit by electronic deposit, please complete the form included in this newsletter and send to our office for processing. More information on electronic deposit is included in the article on page 2.

## MARKET RETURNS HINDER COST OF LIVING ADJUSTMENTS IN 2010

With the recent presentation of the actuarial valuation for 2008, it was determined that the Board of Trustees will be unable to make a cost of living adjustment (COLA) in the benefits paid to retirees in 2010.

State statutes that govern our plan include two tests that must be met before a COLA can be paid. The first test requires that the plans' portfolios must meet or exceed 7.5%. The second test requires both plans to meet or exceed their target ratios as prescribed by state law. Neither Plan A nor Plan B met either of these two tests.

Because of the negative returns of the investment markets in 2008, it is likely that the Board's ability to grant a COLA under current statutory requirements will be hindered for years to come. This information will not be available until after the actuarial valuation for the year ending 12/31/09 is prepared next spring.

Our Board of Trustees has demonstrated its willingness to make these adjustments when the statutes governing COLA's are satisfied. When market conditions return to a level that enables us to meet the requirements for these payments, our Board will give strong consideration to granting a COLA.

### DID YOU KNOW?

The Consumer Price Index (CPI) for All Urban Consumers rose 0.1% in 2008. This was the lowest rate of inflation since a 0.7% decline in 1954.

## ELECTRONIC DEPOSIT OF MONTHLY BENEFIT CHECKS

Electronic deposit is a service that is offered to retirees as a means of reliable and timely payment of their monthly retirement benefits. Currently, over 77% of our retirees utilize this method of payment. There is no charge by Parochial for this service and many banks offer free checking if you agree to the use of electronic deposit for payroll purposes.

If you are not already utilizing electronic deposit, please join the 77% of our retirees who are. Simply complete and return the following form with a voided check attached to our office. If we receive your request by the 15<sup>th</sup> of the month, we will be able to make your deposit electronically on the 1<sup>st</sup> of the following month. If this form is received later than the 15<sup>th</sup>, we may not be able to make the change to electronic deposit by the first of the following month.

**If you are already receiving your benefit by electronic deposit, then you do not need to complete this form.**

### PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA APPLICATION/AUTHORIZATION FOR ELECTRONIC DEPOSIT OF RETIREMENT BENEFITS

I hereby authorize the Parochial Employees' Retirement System, hereafter called **THE SYSTEM**, to initiate credit entries and to initiate, if necessary, debit entries and adjustments for any credit entries in error to my account (select one)

\_\_\_\_\_ **Checking** \_\_\_\_\_ **Savings**

indicated below and the depository (bank) named below, hereafter called **DEPOSITORY**, to credit and/or debit the same to such account.

DEPOSITORY (BANK) NAME: \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_  
 BANK TRANSIT/ABA# \_\_\_\_\_ MY ACCOUNT NUMBER \_\_\_\_\_

This authority is to remain in full force and effect until THE SYSTEM has received written notification from me of its termination in such time and in such a manner as to afford THE SYSTEM and the DEPOSITORY a reasonable opportunity to act on it.

NAME \_\_\_\_\_ SOCIAL SECURITY # \_\_\_\_\_  
PLEASE PRINT

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_  
 Telephone number: \_\_\_\_\_ Relatives: \_\_\_\_\_

**IN ORDER FOR THIS APPLICATION TO BE ACCEPTED AND TO CONFIRM ACCOUNT NUMBERS, WE MUST HAVE THE FOLLOWING:**

- **FOR CHECKING - A "VOIDED" CHECK FROM YOUR PERSONAL CHECKBOOK WHICH MUST INCLUDE YOUR "PRE-PRINTED" PERSONAL INFORMATION (ie=Account Name, Address, etc) THE MEMBERS NAME MUST BE INCLUDED ON THE CHECK AS WELL AS THE CHECKING ACCOUNT AS A SIGNEE!! WE DO NOT ACCEPT ANY CHECKS, ESPECIALLY COUNTER CHECKS, WITH "HAND PRINTED" PERSONAL INFORMATION. PLEASE DO NOT SEND A DEPOSIT SLIP FOR A CHECKING ACCOUNT**
- **FOR SAVINGS - A "DEPOSIT SLIP" WITH "PRE-PRINTED ACCOUNT INFORMATION**
- **IF YOU CANNOT PROVIDE A COPY OF A VOIDED CHECK OR DEPOSIT SLIP AS REQUESTED, YOU MAY REQUEST YOUR BANK TO PROVIDE THIS INFORMATION ON THEIR BANK LETTER-HEAD AND HAVE IT FAXED TO US AT 225-923-0933.**

**\*\*\*PLEASE NOTE: A NOTARIZED "POWER-OF-ATTORNEY" IS REQUIRED ON ACCOUNTS WITH SIGNEES OTHER THAN THE MEMBER AND HIS/HER SPOUSE.** (Please send with this application)

\*\*\*\*These forms can be provided for your convenience upon request to our office\*\*\*\*

**KEEP YOUR INFORMATION UPDATED**

Our ability to contact you is only as good as the information that we have on our records. Please keep your mailing address current so that you will receive correspondence from our office in a timely manner.

Checks issued by this office are not able to be forwarded by the post office. If you change your address with the post office, but fail to do so with our office, your check will be returned to Parochial where it will be held until you provide written notification of your address change. A separate notice of an address change must be submitted to the retirement system before we can update your records.

A correct address is also required to assure the timely delivery of the annual Retiree Newsletter and Federal Form 1099-R. If your address has changed, you can utilize the Change of Address Form included on page 4 of this newsletter to update your records with us. If your address has not changed, then you do not need to complete this form.

**WRITING TO OUR OFFICE**

On occasion, you may need to contact our office to request information or to report a change. When writing to our office, please include your name, your Social Security number, your phone number and your return address on your letter. With this information included on your correspondence, we will be able to contact you with a response.

**PAROCHIAL RETIREMENT BENEFITS NOT SUBJECT TO LOUISIANA STATE INCOME TAX**

On occasion, we receive calls from retirees with questions concerning state taxes on their retirement benefits. State law provides that benefits from the Parochial Employees' Retirement System are not subject to state income tax. If your tax preparer or the State's Revenue Office need more information on this, direct them to Louisiana Revised Statute 11:1905.

**VISIT OUR INTERNET SITE**

We encourage you to visit our internet site, [www.persla.org](http://www.persla.org). This site contains information for retirees, active members and employers. Retirees can access forms to sign up for electronic deposit, change an address, or complete a new Federal withholding form (W-4P). You can also view and download copies of our newsletters from the website.

<b>Board of Trustees</b>	
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Jean Sullivan-Bookkeeper	Geraldine Ferguson-Data Entry Specialist
Eddie Dimaio- Benefits Analyst	Virginia Eckert-Receptionist

**SCHEDULE OF MONTHLY MAILING DATES FOR BENEFIT CHECKS**

Below is a schedule of mailing dates for the coming year.

CHECKS DATED:	WILL BE MAILED:	ELECTRONIC DEPOSITS SHOULD BE CREDITED BY MIDNIGHT ON:
September 1, 2009	August 31, 2009	September 1, 2009
October 1, 2009	September 30, 2009	October 1, 2009
November 1, 2009	October 30, 2009	November 2, 2009
December 1, 2009	November 30, 2009	December 1, 2009
January 1, 2010	December 31, 2009	January 4, 2010
February 1, 2010	January 29, 2010	February 1, 2010
March 1, 2010	February 26, 2010	March 1, 2010
April 1, 2010	March 31, 2010	April 1, 2010
May 1, 2010	April 30, 2010	May 3, 2010
June 1, 2010	May 28, 2010	June 1, 2010
July 1, 2010	June 30, 2010	July 1, 2010
August 1, 2010	July 30, 2010	August 2, 2010

# RETIREE CHANGE OF ADDRESS FORM

PLEASE CHANGE MY MAILING ADDRESS:

NAME: \_\_\_\_\_ SOCIAL SECURITY NO: \_\_\_\_\_  
PLEASE PRINT

OLD ADDRESS:

NEW ADDRESS:

\_\_\_\_\_  
STREET OR PO BOX

\_\_\_\_\_  
STREET OR PO BOX

\_\_\_\_\_  
CITY

\_\_\_\_\_  
ZIP-CODE

\_\_\_\_\_  
CITY

\_\_\_\_\_  
ZIP CODE

RETIREE'S CURRENT TELEPHONE NUMBER (\_\_\_\_\_) \_\_\_\_\_

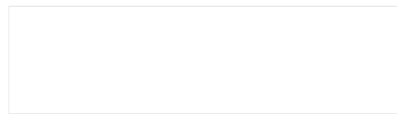
NAME OF NEAREST RELATIVE \_\_\_\_\_ PHONE NO: \_\_\_\_\_

SIGNATURE OF RETIREE: \_\_\_\_\_

\_\_\_\_\_  
DATE

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

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