

# RETIREE NEWS

Issue No: 14

July 2012

## BOARD UNABLE TO GRANT COLAS TO RETIREES

As a result of the 2011 actuarial report, the Board of Trustees is unable to grant a cost of living adjustment to retirees effective January 1, 2013. As you may recall, COLA's are not guaranteed to be granted to retirees each year. State statutes that govern our plan include two tests that must be met before a COLA can be paid. One test that must be met involves the rate of return on investments. The plan must have investment returns of 7.5% or greater. The actuarial rate of return for both plans (computed using a five year averaging of returns) was below this rate for 2011. The other test that must be met requires that each plan meet the target ratio as provided by statute. Neither Plan A nor Plan B met their target ratio for 2011. Because these tests were not satisfied, the Board of Trustees could not grant a COLA to retirees.

It is important to understand that increases are not guaranteed each year. The statutory tests described in the previous paragraph must both be met before the Board of Trustees can approve a COLA. It is possible that weak investment returns could prevent benefit adjustments in Future years. Information regarding COLA's for 2014 will not be available until after the actuarial valuation for the year ending 12/31/12 is received by the Board in June of 2013.

## 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.

## KEEP YOUR ADDRESS CURRENT

In order to contact you, we must have a current address on file. 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 in the newsletter to update your records with us. If your address has not changed, then you do not need to complete this form.



## TIPS FOR RETIREES ON ELECTRONIC DEPOSIT

- If you change banks, please have your new bank fax your new bank routing number, your new account number, the names of the signees on the account, along with your Social Security number to our office (225-923-0933). If possible, do not close an old account until after the 1<sup>st</sup> of the month to allow your current electronic deposit to be processed.

- Electronic payments are processed 4 days prior to the end of the month. Any changes need to be reported to our office by the 20<sup>th</sup> in order for changes to be made for the 1<sup>st</sup> of the following month.

- If you have someone other than a spouse listed on your checking or savings account, we will require a Power of Attorney signed by the retiree and the individual listed on the account in the presence of a notary. This Power of Attorney form is available on the website under Retiree Forms.

**VISIT OUR WEBSITE:** We encourage you to visit our website, [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.



## 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, nearly 80% 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 majority of our retirees who use this service. 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\*\*\*

## 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.

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 previous article.

## 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.

## QUESTIONS ABOUT LIFE AND HEALTH INSURANCE

The Parochial Employees' Retirement System does not handle life and health insurance for retirees. These benefits, if available, are handled through your former employer. Please direct any questions you have concerning life or health insurance to your former employer's human resource office.

### DID YOU KNOW?

Our retiree population continues to grow. At December 31, 2011 we had a total of 6,329 retirees on payroll.

### Board of Trustees

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

### Administrative Personnel

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

August 1, 2012  
 September 1, 2012  
 October 1, 2012  
 November 1, 2012  
 December 1, 2012  
 January 1, 2013  
 February 1, 2013  
 March 1, 2013  
 April 1, 2013  
 May 1, 2013  
 June 1, 2013  
 July 1, 2013

### WILL BE MAILED:

July 31, 2012  
 August 31, 2012  
 September 28, 2012  
 October 31, 2012  
 November 30, 2012  
 December 31, 2012  
 January 31, 2013  
 February 28, 2013  
 March 29, 2013  
 April 30, 2013  
 May 31, 2013  
 June 28, 2013

### ELECTRONIC DEPOSITS SHOULD BE CREDITED BY MIDNIGHT ON:

August 1, 2012  
 September 4, 2012  
 October 1, 2012  
 November 1, 2012  
 December 3, 2012  
 January 2, 2013  
 February 1, 2013  
 March 1, 2013  
 April 1, 2013  
 May 1, 2013  
 June 3, 2013  
 July 1, 2013

# 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.

**Telephone: (225) 928-1361 Fax: (225) 923-0933 Website: [www.persla.org](http://www.persla.org)**

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