2010 INVESTMENT RETURNS ENCOURAGING, BUT CONTRIBUTION INCREASES FOR 2012 MAY OCCUR

The volatility inherent in securities markets has been clearly illustrated by our investment results of the past three years. A very disappointing 2008 (-25%) has been followed by double digit returns in both 2009 (+21%) and 2010 (+15%).

Despite two outstanding years of performance there is still a significant strain on defined benefit plans such as ours all across the country because of the setback caused largely by 2008 results. In our own state there are five public funds whose employer contribution rate will exceed 25% when their new fiscal years begin July 1.

Parochial’s fiscal year coincides with the calendar, so our consulting actuary is currently at work to establish contribution rates for 2012. Investment results, of course, are an important factor that he uses to establish the necessary rate and certainly, over the last two years, this factor has been very positive. However, there is a smoothing technique applied to investment performance which lessens the impact of individual years. By establishing rates based on five year results, the possibility of a sharp spike based on an exceptionally good or exceptionally poor year is minimized. The result is a smoother pattern of contribution rate changes which facilitates the budget process for participating employers.

Demographics of our membership are similarly important in setting rates for the next fiscal year. Factors such as current age of our membership, age at retirement, actual salary at retirement and wage trends are among many important considerations.

Our actuarial valuation report which combines investment performance with demographics will be available in June, and 2012 employer and employee contribution rates will be announced after the June 27 trustee meeting. In preliminary studies conducted by our actuary, the normal costs of both plans continue to trend up and increases in contributions in both plans are possible.

FIRST QUARTER CONTRIBUTIONS DUE APRIL 15

Quarterly reports for the first quarter of 2011 are due in the retirement system office on April 15, 2011. 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.

CONTRIBUTION RATES FOR 2011

Contribution rates for 2011 remain the same as the rates for 2010. In Plan A the employer rate remains 15.75% while the employee rate remains 9.5%. In Plan B, the employer rate remains 10.00% while the employee rate remains 3.0%.

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.

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, 2010. We appreciate each employers help in distributing these notices to the members.
### April 2011

<table>
<thead>
<tr>
<th>Sun</th>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
<th>Fri</th>
<th>Sat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>10</td>
<td>11</td>
<td>Cut-off for 4/15 Refunds</td>
<td>13</td>
<td>14</td>
<td>4/15 Refunds mailed</td>
<td>16</td>
</tr>
<tr>
<td>17</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>21</td>
<td>Office Closed for Good Friday</td>
<td>23</td>
</tr>
<tr>
<td>25</td>
<td>26</td>
<td>Cut-off for 5/1 Refunds</td>
<td>28</td>
<td>29</td>
<td>30</td>
<td></td>
</tr>
</tbody>
</table>

### May 2011

<table>
<thead>
<tr>
<th>Sun</th>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
<th>Fri</th>
<th>Sat</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5/1 Refunds mailed</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>8</td>
<td>9</td>
<td>10</td>
<td>Cut-off for 5/15 Refunds</td>
<td>12</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>15</td>
<td>5/15 Refunds mailed</td>
<td>17</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td>22</td>
<td>23</td>
<td>24</td>
<td>25</td>
<td>Cut-off for 6/1 Refunds</td>
<td>27</td>
<td>28</td>
</tr>
<tr>
<td>29</td>
<td>Office Closed for Memorial Day</td>
<td>31</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### June 2011

<table>
<thead>
<tr>
<th>Sun</th>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
<th>Fri</th>
<th>Sat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>Cut-off for 6/15 Refunds</td>
<td>11</td>
</tr>
<tr>
<td>12</td>
<td>13</td>
<td>14</td>
<td>6/15 Refunds mailed</td>
<td>16</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>19</td>
<td>20</td>
<td>21</td>
<td>22</td>
<td>23</td>
<td>24</td>
<td>25</td>
</tr>
<tr>
<td>26</td>
<td>Board Meeting Cut-off for 7/1 refunds</td>
<td>28</td>
<td>29</td>
<td>30</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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.

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.

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.

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
2011 REGULAR LEGISLATIVE SESSION: The 2011 Regular Legislative Session will convene on Monday, April 25, 2011 and will adjourn no later than June 23, 2011. The Board of Trustees has not sponsored any legislation for the 2011 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.

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.

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.

CONTRIBUTION RANGES IN LOUISIANA: The increase in employer contributions has been felt by all plans in the state of Louisiana. Employer contribution rates for the state plans range from 55.9% - 23.7% while the statewide plans have employer contribution rates ranging from 28% - 8%.

DID YOU KNOW?
In a recent survey by Pensions & Investments Magazine, the Parochial Employees’ Retirement System ranked 491st out of the top 1000 retirement funds in a ranking by total assets.

HAPPY EASTER

BOARD OF TRUSTEES
Terrie Rodrigue, Chairman
Gwen B. LeBlanc
Tim Ware
Jerry Milner
Robert F. Manuel
Rep. J. Kevin Pearson
Sen. Butch Gautreaux
Jefferson Parish
Ascension Parish
Rapides Parish
Calcasieu Parish
Police Jury Assn
House Retirement
Senate Retirement

ADMINISTRATIVE PERSONNEL
Tom Sims, CFA
Dainna S. Tully
Becky Fontenot
Bobbie Deloney
Jean Sullivan
Geraldine Ferguson
Eddie Dimiao
Virginia Eckert
Chief Investment Officer
Administrative Director
Assistant Director
Systems Analyst
Bookkeeper
Data Entry Specialist
Benefits Analyst
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