



PERS NEWS

A PUBLICATION OF THE PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

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2011 INVESTMENT RETURNS MAY IMPACT 2013 CONTRIBUTION RATES

In 2011 we were reminded of the volatility of securities markets worldwide. After two strong years in 2009 (+21%) and 2010 (+15%), following a very disappointing 2008 (-25%), both Plan A and Plan B declined by about -0.6% in 2011.

Because investment returns are a major factor in establishing contribution rates, it is likely that applicable contribution rates for 2013 will increase above 2012 levels. A smoothing technique can soften the impact felt in any one year but in the long run, all investment performance, good and bad, is factored into the contribution rates.

Other statistical factors do have an impact on contribution rates as well. Employee ages, age at hire and retirement, and salary increases are examples of other influences on rates. However, these factors generally do not change from year to year in the same magnitude as investment performance might change and generally have less impact on contribution rates.

The annual actuarial valuation, which will aid in establishing contribution rates for 2013 should be complete in June and the results will be communicated to employer groups following the June 25th Board meeting.

As we are already in March, we should note that January and February have given us a nice bounce in early 2012 with gains in most asset classes. However, the saber rattling in the Israel-Iran conflict and continuing concern for several European economies remind us that good investment performance can be short-lived.

Our allocation of assets continues to be very diverse with no undue concentration in any investment sector. We are confident that this multistrategy approach will work well for us in the long run, but clearly our results are linked to market movements.

FIRST QUARTER CONTRIBUTIONS DUE APRIL 15

Quarterly reports for the first quarter of 2012 are due in the retirement system office on April 15, 2012. 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, 2012, in order to avoid a late penalty. If you are using a delivery service, delivery must be received by Friday, April 13, 2012 in order to avoid the late penalty. Delivery of reports received on or after Monday, April 16, 2012 will be considered late and a late penalty will be assessed

CONTRIBUTION RATES FOR 2012

Contribution rates for 2012 remain the same as the rates for 2011. 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%.

April 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	4/2 Refunds mailed	3	4	5	OFFICE CLOSED GOOD FRIDAY	7
8 	9	10	Cut-off for 4/16 Refunds	12	13	14
15	4/16 Refunds mailed	17	18	19	20	21
22	23	24	25	Cut-off for 5/1 Refunds	27	28
29	30					

May 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		5/1 Refunds mailed	2	3	4	5
6	7	8	9	Cut-off for 5/15 Refunds	11	12
13 	14	5/15 Refunds mailed	16	17	18	19
20	21	22	23	24	25	26
27	OFFICE CLOSED MEMORIAL DAY	Cut-off for 6/1 Refunds	30	31		

June 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					6/1 Refunds mailed	2
3	4	5	6	7	8	9
10	11	Cut-off for 6/15 Refunds	13	14	6/15 Refunds mailed	16
17 	18	19	20	21	22	23
24	25 Board Meeting	26	Cut-off for 7/1 Refunds	28	29	30

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.

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, 2011. We appreciate each employer’s help in distributing these notices to the members

2012 REGULAR LEGISLATIVE SESSION

The 2012 Regular Legislative Session will convene on Monday, March 12, 2012 and will adjourn no later than June 4, 2012. The Board of Trustees has sponsored two technical correction bills, Senate Bill 10 and Senate Bill 11. 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.

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.

BOARD OF TRUSTEES’ NEWS

The Executive Board of the Police Jury Association (PJA) has named Sandy Treme’ to serve on the Board of Trustees of the Parochial Employees’ Retirement System. Ms. Treme’ is a past president of the Police Jury Association. She currently serves as a member of the Calcasieu Parish Police Jury.

DID YOU KNOW?

According to a study by the National Institute on Retirement Security, retiree expenditures stemming from state and local pension plan benefits in the state of Louisiana in 2009 supported:

- 29,869 jobs that paid \$1.2 billion in wages and salaries
- \$3.9 billion in total economic output
- \$481.7 million in federal, state and local tax revenues

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

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.

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.

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.

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.

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
Bobbie Deloney	Systems Analyst
Jean Sullivan	Bookkeeper
Geraldine Ferguson	Data Entry Specialist
Eddie Dimaio	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.

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