The financial crisis that has gathered so much media attention for the past six months is now well into its second year and showing little evidence of significant improvement.

On December 5 the National Bureau of Economic Research (NBER) established that the U.S. is currently in a recession that began last December. This announcement marked the end of an expansion that lasted for 73 months.

Securities markets here and abroad have signaled this condition for some time. Below are results this year for several major stock indexes.

<table>
<thead>
<tr>
<th>Index</th>
<th>12/31/07 - 06/30/07</th>
<th>12/09/08 - 06/30/07</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P 500 Index (large US companies)</td>
<td>-38.13%</td>
<td>-29.76%</td>
</tr>
<tr>
<td>Russell 2000 Stock Index (small US companies)</td>
<td>-38.38%</td>
<td>-32.01%</td>
</tr>
<tr>
<td>MSCI EAFE Index (large international companies)</td>
<td>-46.43%</td>
<td>-40.14%</td>
</tr>
</tbody>
</table>

Thus, even widely diversified portfolios have not offered the protection that conventional portfolio theory would lead one to expect.

Several arms of the Federal government such as the Treasury Department, Federal Reserve, Congress and the White House are working separately and together to implement programs that can alleviate current conditions. The desired results of this huge and expensive effort will not be realized quickly. We should expect 2009 to be an extension of this recession with signs of recovery to be visible in 2010.

As we noted in a memo to administrators sent in October, Parochial enjoys an advantage over the headline-making banks. First, our liabilities are paid out on a monthly basis and we are not subject to a large wave of redemptions. Secondly, our non-investment income (essentially contributions) exceeds our monthly retirement benefits, refunds of contributions and administrative expenses. This condition of positive cash flow is expected to continue for several years.

Present economic conditions in the U.S. and elsewhere are grave enough that we should all be concerned and aware. Further, the depressed securities markets of 2008 make it likely that a contribution increase will be needed in 2010. However, the Parochial trustees and staff are confident of the soundness of our plan and its ability to meet its obligations.

**FOURTH QUARTER CONTRIBUTIONS DUE JANUARY 15**

Forms to be used for remission of quarterly reports have been mailed under separate cover. These forms are also available on our website (www.persla.org) under the Forms tab.

As a reminder, quarterly reports for the fourth quarter of 2008 are due in the retirement system office on January 15, 2009. 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 may be assessed on delinquent payments.

Please make certain that your quarterly report is signed by the appointed authority before remitting to our office. In addition, we ask that each employer verify that the totals on the summary page equal the total on the supplementary pages attached before submitting the quarterly report to our office.
### January 2009

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<td>1</td>
<td>1/2/09 Refunds mailed</td>
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<td>Cut off for 2/2 Refunds</td>
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### February 2009

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### March 2009

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<tbody>
<tr>
<td>1</td>
<td>3/2 Refunds mailed</td>
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<td>10</td>
<td>Cut off for 3/16 Refunds</td>
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<tr>
<td>15</td>
<td>BOARD MEETING 3/16 Refunds mailed</td>
<td>17</td>
<td>St Patrick’s Day</td>
<td>18 Qtr Report Forms mailed</td>
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</table>
CONTRIBUTIONS PROHIBITED ON CERTAIN TYPES OF PAYMENTS

Louisiana Revised Statute 11:233 B(2) provides specific types of payments that are excluded from “earnable compensation” for purposes of this retirement system. Lump sum payments made in lieu of unused annual or sick leave, car allowance, bonuses, and severance pay are among the payments that are excluded. Employee and employer contributions cannot be withheld from any of the types of payments listed in this section of the law.

In addition, our definition of earnings contained at R.S. 11:1902 (11) states “earnings shall not include fees or commissions.” Employee and employer contributions cannot be withheld on fee or commission payments.

If you have any questions about whether a type of payment qualifies as earnings or earnable compensation for retirement purposes, please contact Dainna Tully or Becky Fontenot.

LIMITATIONS EXIST FOR RETIREES RETURNING TO WORK

When a retiree of this retirement system returns to work for a participating employer, statutory limitations exist. Before you rehire a Parochial retiree, you should contact our office to review the limitations that may affect the rehired retiree. You can review a brief description of our return to work provisions contained in Section 10 of our Summary of Principal Features.

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

PROPERLY COMPLETED ENROLLMENT FORMS

Before submitting Personal History forms to our office for newly hired employees, please review the form to make certain that all blanks are properly completed. We ask that the information on the form be either printed or typed. The Social Security number of the member must be included on this form so that we can create a member record. This form must be signed by the member and the appointed authority designated by the parish or agency. In addition, we have noticed that several Plan A employers have not been including a copy of SSA-1945 (Statement Concerning Your Employment in a Job Not Covered by Social Security) with the Personal History form. Your help in reviewing this information will alleviate the need to return incomplete forms.

NEW EMPLOYER RATE EFFECTIVE 1/1/09

As mentioned in previous correspondence, the employer rates for 2009 will decrease slightly for Plan A. Please make note that effective January 1, 2009 the employer contribution rate for Plan A will be 12.25% and the employer contribution rate for Plan B will increase slightly to 6.25%. The employee contribution rates for Plan A and Plan B remain unchanged at 9.5% and 3% respectively.
1099 FORMS AND NOTICES OF DEPOSIT: 1099-R forms will be mailed to all retirees and to all of those former employees who received a refund in 2008. We are required to postmark these tax forms by January 31, 2009. Notices of Deposits reflecting employee contribution balances as of December 31, 2008 will be prepared and sent to each participating parish or agency for distribution. This is a lengthy process that we strive to have completed by March 31, 2009.

RETIREES TO RECEIVE COLA IN 2009: The Board of Trustees has granted a COLA to retirees effective January 1, 2009. In order to be eligible for the COLA, a retiree must be age 62 on or before 12/31/08 and they must be retired for one full year on or before 12/31/08. For those retirees who meet these requirements, an increase of 2.5% will be granted on the January 1st benefit payment. Retiree COLA’s are not guaranteed each year. In order to grant a COLA, the plan must meet two statutory tests. The first test requires that the investment return of the plan must meet or exceed 7.5%. The second test requires the plan to meet or exceed its target funding ratio.

ADMINISTRATIVE TRAINING A SUCCESS: On October 7, 2008, we held our second annual Administrative Training Workshop at the Baton Rouge Marriott. Over 80 representatives from employers across the state were in attendance to hear timely presentations including a review of the actuarial report for the year ending 12/31/2007, an update on the system’s investment portfolio and administrative questions and answers. Thank you to all who took time from their busy schedules to spend a half day with us in Baton Rouge. This training workshop will be held each October. We will send information concerning our 2009 workshop in the fall of next year.

USE ONLY PERS GENERATED FORMS: When submitting forms to PERS (including Quarterly Report, Personal History, and Refund Forms) it is important that you utilize the forms that have been generated by the retirement system office. Occasionally our office receives forms that have been redesigned by an employer group and if these forms are not an exact replica, delays in processing may result. Our forms are designed to include all necessary information required for processing and many times the order that the data is requested corresponds with our data entry into the computer system. For this reason, we ask that you use only forms supplied by our office or forms that are downloaded directly from our website (www.persla.org).

DID YOU KNOW? The Parochial Employees’ Retirement System's annual retiree payroll exceeded $91 million in 2008. With a majority of retirees residing in Louisiana, most of this retirement income stays within our state.

BOARD OF TRUSTEES
Terrie Rodrigue, Chairman
Gwen B. LeBlanc
Tim Ware
Jerry Milner
Robert F. Manuel
Rep. Joel Robideaux
Sen. Butch Gautreaux

Jefferson Parish
Ascension Parish
Rapides Parish
Calcasieu Parish
Police Jury Assn
House Retirement
Senate Retirement

Tom Sims, CFA
Dainna S. Tully
Becky Fontenot
Bobbie Deloney
Jean Sullivan
Geraldine Ferguson
Eddie Dimaio

Chief Investment Officer
Administrative Director
Assistant Director
Systems Analyst
Bookkeeper
Data Entry Specialist
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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