

PERS NEWS

A PUBLICATION OF THE PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

ISSUE 54

July 2009

2008 AUDIT AND ACTUARIAL REPORTS APPROVED

At the June 22, 2009 meeting, the Board of Trustees approved the 2008 Audit and 2008 Actuarial Report for the Parochial Employees' Retirement System. The 2010 employer contribution rates were approved at 15.75% of payroll for Plan A and 10.0% of payroll for Plan B. This change in employer contribution rates will go into effect on January 1, 2010. Several factors attribute to the increase in employer rates in both plans. Both plans were impacted by the investment markets in 2008. The market rate of return for Plan A was -25.7% for the year ending 12/31/08. The market rate of return for Plan B was -25.0% for the year ending 12/31/08. Although the plans utilize a five year smoothing method, the rates of return for 2008 were still negative for both plans. Our assumed actuarial rate of return is 7.5%, and with actual rates well below this assumption, this factor alone attributes to a significant increase in costs for the plan.

Another factor that increased plan costs for the year was the increase in salaries. Our actuary assumes that the salary scale for the membership will increase 5.75% from one year to the next. However, data used in the actuarial valuation revealed that salaries across the Parochial membership increased above the assumed level. When salaries are increased over and above the plan assumptions, this results in a liability loss and is passed on as a cost to the participating employers. In light of the current economic recession, we expect that salaries will not increase over and above expectations for 2009.

Although the employer rates have been approved by the Board of Trustees, approval by the Public Retirement Systems' Actuarial Committee (PRSAC) is necessary to make these rates official for 2010. For budgeting purposes, employers are urged to utilize the rates approved by the Board of Trustees. Our office will notify you as soon as PRSAC has approved the rates for 2010.

You may find the following information contained in this year's reports useful. Assets in Plan A decreased from \$2.087 billion at December 31, 2007 to \$1.566 billion at December 31, 2008. Assets in Plan B decreased from \$144.16 million at December 31, 2007 to \$109.75 million at December 31, 2008. The funded ratio for Plan A increased from 96.83% at December 31, 2007 to 96.99% at December 31, 2008. Plan B remains over 100% funded.

Our office will forward a copy of the actuarial report and a copy of the audit report for the year ending 12/31/08 to each participating employer within the next two weeks. It is important that you provide a copy of both reports to your auditor and keep a copy for your records.

EMPLOYER CONTRIBUTION RATES SET TO INCREASE

Effective January 1, 2010, the employer rate for Plan A will increase to 15.75% while the employer rate for Plan B will increase to 10.00%. Please see the article entitled "2008 Audit and Actuarial Reports Approved" for additional information on this rate increase.

BOARD UNABLE TO GRANT COLA'S TO RETIREES

As a result of the 2008 actuarial report, the Board of Trustees was unable to grant a cost of living adjustment to retirees. As you may recall, COLA's are not guaranteed to be granted to retirees each year. One important condition that must be met involves the rate of return on investments. The fund must earn 7.5% or more on investments to consider granting a COLA. With the negative returns reported for 2008, the fund did not meet this requirement and is therefore unable to grant a COLA as provided in state law.

ADMINISTRATIVE TRAINING WORKSHOP

For the past two years, our office has held a training workshop for all participating employers in Baton Rouge. The attendance at these annual workshops has been outstanding. This year's training workshop will be held at the Baton Rouge Marriott on Tuesday, October 6, 2009. This session is designed specifically for those who work with the retirement system in your parish or agency. This training is not appropriate for employees with questions on their own retirement account.


A registration form is included on page 3 of this newsletter. Each attendant must complete a registration form in order for us to prepare for the correct number of attendees. Information on hotel rooms for the night of October 5, 2009 is included on the registration form as well as a tentative agenda.

Questions concerning the administrative workshop should be directed to Dainna Tully at (225)928-1361.

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.


July 2009

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			7/1 Refunds mailed	2	OFFICE CLOSED FOR 4TH	4 
5	6	7	8	9	Cut-off for 7/15 Refunds	11
12	13	14	7/15 Refunds mailed	16	17	18
19	20	21	22	23	24	25
26	27	28	Cut-off for 8/1 Refunds	30	31	

August 2009

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	8/1 Refunds mailed	4	5	6	7	8
9	10	11	Cut-off for 8/17 Refunds	13	14	15
16	8/17 Refunds mailed	18	19	20	21	22
23	24	25	26	Cut-off for 9/1 Refunds	28	29
30	31					

September 2009

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		9/1 Refunds mailed	2	3	4	5
6 	Closed for LABOR DAY	8	9	Cut-off for 9/15 Refunds	11	12
13	Board Meeting	9/15 Refunds mailed	16	17	18	19
20	21	22	23	24	25	26
27	Cut-off for 10/1 Refunds	29	30			

**PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATIVE TRAINING SESSION
OCTOBER 6, 2009
BATON ROUGE MARRIOTT 5500 HILTON AVENUE**

Tentative Agenda

8:30—8:55 a.m. Registration
9:00—10:00 a.m. Actuarial Funding and Valuation
10:00—11:00 a.m. Review of Plan Investments
11:00—Noon Administrative Review

This session is designed for those at the parish or agency level who administer the retirement plan. In order to properly plan for those in attendance, the following form must be completed for each attendee and mailed to PO Box 14619, Baton Rouge, LA 70898 by October 1, 2009.

Name _____

Title: _____

Employer: _____

Address: _____

Work # _____ Fax # _____

Please list below any questions you would like addressed during this training:

Accommodations

A block of rooms is being held at the Baton Rouge Marriott. The rate for this block is \$101 per night (not inclusive of applicable taxes). Please contact the Baton Rouge Marriott directly at (225)924-5000 to make hotel reservations and request the block for the Parochial Employees' Retirement System. The block will be released on 9/11/09. After this date, accommodations will be subject to availability and rates may increase.

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

WEP & GPO REPEAL PROPOSED IN CONGRESS: The Social Security Fairness Act of 2009 would eliminate both the WEP and GPO applied to public employee's Social Security benefits. H.R. 235, the House version of this Act, was introduced by Representatives Howard Berman (D-Calif.) and Buck McKeon (R-Calif.). S. 484, the Senate version of this Act, was introduced by Senators Dianne Feinstein (D-Calif.) and Susan Collins (R-Maine). H.R. 235 had 257 cosponsors as of April 22, 2009. S. 484 had 22 cosponsors as of this same date.

Although the support for these two pieces of legislation seems strong, it is likely that the cost of repealing WEP and GPO will make this difficult to pass. Some forecast the repeal of WEP and GPO could cost as much as \$62 billion over 10 years.

REFUND FORM INFORMATION: It is important to complete all information on the Refund of Contributions form that is submitted when an employee terminates and requests a return of his employee contributions. Many times, the section which requests "Contributions Since Last Quarterly Report" is left blank. If no further contributions are due following an employee's termination, please place a zero in this section so that our office will know that additional contributions will not be remitted. If additional contributions are due, please provide the amount to be remitted. This information is used to reconcile the final submission prior to the issuance of the refund to the member

SUBMISSION OF QUARTERLY REPORT DATA VIA DISK: If your quarterly report contains 50 or more employees, we ask that you submit your information to our office via disk. We are able to accept data on an Excel spreadsheet or from your current payroll system. Instructions for submitting data in this manner can be found on our website www.persla.org under the Forms tab.

In order to efficiently process salary and contribution data for over 17,000 active members, it is imperative that we automate the reporting process. With disk submission, our staff is able to quickly download the data contained with your quarterly report. In addition the number of errors that can occur with manual posting is decreased. Your cooperation in submitting your data via disk is greatly appreciated by our small staff of seven.

OFFICIAL QUARTERLY/MONTHLY REPORT FORMS REQUIRED: When submitting salary and contribution data to our office, we require all employers to utilize the quarterly or monthly report forms that we provide prior to the end of each calendar quarter. If you require additional forms, please download the current quarterly or monthly report form from our website www.persla.org under the Forms tab. Using an old form can result in payment of an incorrect employer contribution amount. In addition, employers are not allowed to make an adjustment to a quarterly or monthly report for an overpayment in a prior period. If an overpayment has occurred, you must submit a written request for the return of funds.

Quarterly report forms are mailed once each quarter to all participating employers. These forms are also available on our website (www.persla.org) under the Forms tab.

MONTHLY REPORTING AVAILABLE: Our office can accept your salary and contribution data on a monthly basis. We continue to add employers to our list of those reporting monthly by disk. For many, the change has been minimal since all other retirement systems in Louisiana require the submission of contributions on a monthly basis.

The advantages of more frequent reporting include the ability to process refunds, release first retirement checks or DROP lump sum payments in a more timely fashion. If your office submits contributions monthly, we are able to process these payments if all other requirements have been met instead of waiting for your quarterly report to come in.

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 your data for quick and efficient download at our office. You can view the Disk Submission Instructions on our website (www.persla.org) under the Forms tab. It is the last form listed in the Employer Forms section. Please contact Dainna Tully if you have questions concerning monthly reporting.

**SAVE THE DATE - PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATIVE TRAINING SESSION
OCTOBER 6, 2009—BATON ROUGE MARRIOTT**

BOARD OF TRUSTEES

Terrie Rodrigue, Chairman	Jefferson Parish
Gwen B. LeBlanc	Ascension Parish
Tim Ware	Rapides Parish
Jerry Milner	Calcasieu Parish
Robert F. Manuel	Police Jury Assn
Rep. Joel Robideaux	House Retirement
Sen. Butch Gautreaux	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 Dimasio	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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