



PERS NEWS

A PUBLICATION OF THE PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

ISSUE 62

July 2011

2010 AUDIT AND ACTUARIAL REPORTS APPROVED

At the June 27, 2011 meeting, the Board of Trustees approved the 2010 Audit and 2010 Actuarial Report for the Parochial Employees' Retirement System. The 2012 employer contribution rates were approved at 15.75% of payroll for Plan A and 10.0% of payroll for Plan B.

As part of the actuarial valuation, we must assume a rate of return for our investments. Our assumed rate of return is 7.5%. Market rates of return exceeded this assumption for the year ending 12/31/10, but the actuarial rate of return, which is computed using a five year averaging of returns, did not exceed the assumed rate of return. The market rate of return in Plan A was 15.2% while the actuarial rate of return was 4.4%. The market rate of return in Plan B was 15.4% while the actuarial rate of return was 4.6%. The negative rates of return in 2008 will continue to weigh on the actuarial rates of return for several more years, thus putting upward pressure on plan costs.

For the valuation for the year ending 12/31/10, salary increases were within the assumed ranges and resulted in a cost savings to the plan. Our actuary assumes that the salary scale for the membership will increase 5.75% from one year to the next. When salaries increase in excess of this assumption, this results in a cost to the plan. When salaries increase at or below this assumption, plan savings result.

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 2012. 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 2012.

You may find the following information contained in this year's reports useful. Assets in Plan A increased from \$1.904 billion at December 31, 2009 to \$2.225 billion at December 31, 2010. Assets in Plan B increased from \$134.94 million at December 31, 2009 to \$161.77 million at December 31, 2010. The funded ratio for Plan A increased from 97.55% at December 31, 2009 to 98.01% at December 31, 2010. Plan B remains over 100% funded.

The Audit and Actuarial reports for the year ending 12/31/2010 are posted on the retirement system's website (www.persla.org). Each employer should download the reports or share our website with your auditors as needed. Hard copies of these reports will not be mailed, but will remain available on our website.

CONTRIBUTION RATES SET FOR 2012

Employer rates for Plan A and Plan B will remain at the current levels for 2012. The employer rate for Plan A is 15.75% while the employer rate for Plan B is 10.0%. Employee rates will also remain at current levels for 2012. The employee contribution rate for Plan A is 9.5% while the employee rate for Plan B is 3%.

BOARD UNABLE TO GRANT COLA'S TO RETIREES

As a result of the 2010 actuarial report, the Board of Trustees was unable to grant a cost of living adjustment to retirees. COLA's are not guaranteed to be granted to retirees each year. State law requires that the system must earn in excess of 7.5% (our actuarial rate of return) in order to grant a COLA to retirees. Although the system earned in excess of 7.5% for the year ending 12/31/10, the actuarial rate of return which is calculated using the past 5 years returns was below 7.5%. Since the retirement system did not meet this statutory requirement, the Board is unable to grant a COLA to retirees effective January 1, 2012.

ADMINISTRATIVE TRAINING WORKSHOP

For the past three years, our office has held a training workshop for all participating employers in Baton Rouge. Many parishes and parish agencies have benefitted from attendance at our annual workshop. This year's training workshop will be held at the Baton Rouge Marriott on Tuesday, October 4, 2011. 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 4, 2011 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? Employer contribution rates for the state and statewide plans in Louisiana range from 9.75% to 55.9% for the 2011/2012 fiscal year.

July 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	Cut-off for 15th Refunds	13	14	15th Refunds mailed	16
17	18	19	20	21	22	23
24	25	26	Cut-off for 8/1 Refunds	28	29	30
31						

August 2011

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

September 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1st Refunds mailed	2	3
4	CLOSED FOR LABOR DAY	6	7	8	9	10
11	Cut-off for 15th Refunds Board Meeting	13	14	15th Refunds mailed	16	17
18	19	20	21	22	23	24
25	26	27	Cut-off for 10/3 Refunds	29	30	

**PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATIVE TRAINING SESSION
OCTOBER 4, 2011
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 September 30, 2011.

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 9/04/11. 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

SECOND QUARTER CONTRIBUTIONS DUE JULY 15: Quarterly reports for the second quarter of 2011 are due in the retirement system office on July 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 1/2% 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 1/2% of the total remittance.

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.

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 allowances, 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.

REPORTING RETIREE INFORMATION: When reporting the death of a retiree to our office, please be prepared to confirm the mailing address of the beneficiary and the Social Security number of the beneficiary. This information is necessary for us to contact the retiree’s beneficiary and to properly report any payments on Form 1099-R. Retirees who wish to change the receipt of their monthly benefit from a check to an electronic deposit should get the Electronic Deposit Form to our office by the 15th of each month. If this form is received later than the 15th, we may not be able to make the change to electronic deposit by the first of the following month.

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. J. Kevin Pearson	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 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.

☎ Telephone Number (225) 928-1361

☎ FAX Number (225) 923-0933

🌐 Website: www.persla.org