



PERS NEWS

A PUBLICATION OF THE PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

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BENEFIT PLAN FOR NEW HIRES TO BE INTRODUCED IN LEGISLATIVE SESSION

Virtually every week we see evidence of the pressures on defined benefit retirement plans in the form of plan closures by major corporations. General Motors and IBM are recent examples.

It is important for public employee plans to keep costs under control to prevent or postpone the need for such drastic measures.

With this motivation in mind, Parochial's trustees have approved the introduction of legislation that will create a new plan of benefits for employees hired January 1, 2007 or later. This new benefit plan, although trimmed in several respects from the current plan, will still offer a pension benefit substantially better than is available through most private sector employers.

Below is a summary of the new plan:

- A. Eligibility for normal retirement in the new plan will be as follows:
 1. With seven years of service credit, retirement benefits can begin at age 67.
 2. With ten years of service credit, retirement benefits can begin at age 62.
 3. With thirty years of service, retirement benefits can begin at age 55.
- B. Seven years of service will be required for disability retirement.
- C. Disability will be defined as totally and permanently disabled from performing any type of gainful employment.
- D. Final average compensation used in the benefit formula will be based on the highest five consecutive years of pay.
- E. The actuarial cost of an individual's leave conversion will be paid by the employer at the time of retirement.

This new plan will apply to new hires in both Plan A and Plan B and accrual rates will be unchanged—3% in Plan A and 2% in Plan B.

Currently contributing members and those hired before January 1, 2007 will continue to accrue benefits under the existing plan. However, an individual who terminates employment, receives a refund and returns to parish employment after January 1, 2007 will participate in the new hires' plan. A refund repayment can re-establish service credit, but all subsequent service credit and benefits for this individual will be accrued under the new hires' plan.

A member who terminates employment under the current plan, but leaves their contributions with the system, would retain participation in the current benefit plan if they return to work with a Parochial employer after January 1, 2007.

Again, this change will affect very few of our current members and then only if they terminate employment, take a refund and are rehired by a Parochial employer. However, over a period of years, the cumulative effect will be reflected in contribution rates lower than they would otherwise be.

The bill language is being drafted this week and it will be introduced by Senator Butch Gautreaux, Chairman of the Senate Retirement Committee. As soon as a bill number is assigned, we will publish that information on our website at www.persla.org.



Happy
Easter

REFUND REQUESTS FROM MEMBERS WHO HAVE SATISFIED OUR VESTING REQUIREMENTS

From time to time a refund request is received from a member who has satisfied our vesting requirements. For example, a 44 year old member may have twelve years of service credit. Should a refund request be received from this individual, we will calculate a benefit estimate payable at the earliest retirement date if contributions are left with us.

This estimate is sent to the employer with an affidavit to be forwarded to the member. If the member, upon learning of the benefit estimate, still wants a refund of contributions, the affidavit should be signed and returned to our office. Upon receipt we will process the refund as we would normally; with either a direct payment to the member or the member's chosen rollover institution.

It is important that a vested member know what retirement benefit they are sacrificing before following through on the refund request.

OVERTIME CONSIDERATIONS IN BENEFIT CALCULATIONS

Overtime pay is used in determining contributions and in calculating retirement benefits. However, there are some limitations on the use of overtime pay in calculating a monthly benefit or an estimate of benefits. Thus, on the occasion that our office requests a breakdown of overtime earnings by year for a member, your assistance in gathering this information will enable us to provide an accurate calculation. If there are questions about exactly what data is sought, please call Becky Fontenot in our office.

"A SETBACK IS THE OPPORTUNITY TO BEGIN AGAIN MORE INTELLIGENTLY."
 —HENRY FORD (AUTOMAKER)

ORDER FORM

Parochial Employees' Retirement System

Most of these forms can be found on our website: www.persla.org

Please mail the following forms to: _____
 (Name of Employing Parish)

We are in: Plan "A" ___ Plan "B" ___

How Many

- _____ Quarterly Reports
- _____ DROP Quarterly Reports
- _____ Refund of Contributions
- _____ Personal History
- _____ Retirement Application
- _____ DROP Application

How Many

- _____ Brochures
- _____ Personal History Update Forms
- _____ Election Form for New Employees age 55 and older
- _____ Special Tax Notice
- _____ Hurricane Katrina/Rita Release

_____ Date

_____ Signature of Appointing Authority

IMPORTANT STUFF!

Employee Enrollment: The enrollment of all eligible members is very important to employees and employers. Essentially, all employees working 28 hours or more each week on a permanent basis are eligible. Excluding an eligible employee, even at the employee's request, can create a large liability in years to come. If there are questions about eligibility, please call our office.

Retirees returning to work: Defined benefit retirement plans such as Parochial are designed to provide monthly benefits after retirement. When a retiree returns to work: specifically to work with a Parochial employer, there are some limitations. Before you rehire a "retiree", you may want to call our office to review those limitations.

Notices of Deposit: Notices of Deposit are being prepared and forwarded to participating employers. Your assistance in distributing these notices to the members will be appreciated.

"NEVER LET THE FEAR OF STRIKING OUT GET IN YOUR WAY."

—*BABE RUTH (BASEBALL PLAYER)*

"SELF-CRITICISM IS AN ART NOT MANY ARE QUALIFIED TO PRACTICE."

—*JOYCE CAROL OATES (WRITER)*

Contribution Rates for 2006: As we reported earlier, contribution rates for 2006 are unchanged from 2005:

	Plan A		Plan B
Employer Rate	12.75%	Employer Rate	5.75%
Employee Rate	9.50%	Employee Rate	3.00%

BOARD OF TRUSTEES

Terrie Rodrigue Chairman	Jefferson Parish
Gwen B. LeBlanc	Ascension Parish
Tim Ware	Rapides Parish
Thomas Nelson	Police Jury Assn
Jerry Milner	Calcasieu Parish
Rep. Pete Schneider	House Retirement
Sen. Butch Gautreaux	Senate Retirement

ADMINISTRATIVE PERSONNEL

Tom Sims, CFA	Administrative Director
Dainna S. Tully	Assistant Director
Becky Fontenot	Benefits Administrator
Bobbie Deloney	Systems Analyst
Jean Sullivan	Bookkeeper
Geraldine Ferguson	Data Entry Specialist
Janice Beatty	Receptionist

PERS NEWS is a quarterly publication of the Parochial Employees' Retirement System of Louisiana, located at 5420 Corporate Blvd., Suite 103, Baton Rouge, Louisiana 70808.

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🌐 Website: www.persla.org

April 2006

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	4/3 Refunds mailed	4	5	6	7	8
9	10	Cut-off for 4/17 Refunds	12	13	Office closed for Good Friday	15
HAPPY EASTER	4/17 Refunds mailed 1st Qtr reports due	18	19	20	21	22
23	24	Cut-off for 5/1 Refunds	26	27	28 Retiree checks mailed	29
30						

May 2006

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	5/1 Refunds mailed	2	3	4	5	6
7	8	Cut-off for 5/15 Refunds	10	11	12	13
14	5/15 Refunds mailed	16	17	18	19	20
21	22	23	24	25	Cut-off for 6/1 Refunds	27
28	Office closed for	30	31 Retiree checks			

June 2006

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				6/1 Refunds mailed	2	3
4	5	6	7	8	Cut-off for 6/15 Refunds	10
11	12 BOARD MEETING	13	14	6/15 Refunds mailed mail out 2nd qtr reports	16	17
18	19	20	21	22	23	24
25	26	Cut-off for 7/3 Refunds	28	29	30 Retiree checks mailed	