

PERS NEWS

A PUBLICATION OF THE PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

ISSUE 37

December

CHAIRMAN SUTTON TO LEAVE PERS BOARD

At Parochial's Board of Trustees' meeting earlier this week, a major change in our organization was brought about by the retirement, effective December 31, of Reagan Sutton, our Board Chairman since 1980. A long time secretary-treasurer in Lincoln Parish, Reagan has served as a Parochial trustee since 1970.

The board has appointed Tim Ware, Treasurer of Rapides Parish, to fill Reagan's unexpired term which runs through 2005.

In the trustee election held this fall, Ms. Terrie Rodrigue of Jefferson Parish retained her seat and begins a new six-year term in January.

Editors Note: To say that Reagan Sutton will be missed at the Parochial Employees' Retirement System would be a major understatement. Yet, in good organizations, and he has had a big hand in building this one, no one is indispensable. Reagan, I'm certain, would be quick to agree.

Nevertheless, it will be a long time before we hold a meeting without expecting him to come through the door, bang the gavel and call the meeting to order. Other good people will come to serve but 34 years of experience with a 52 year old organization is difficult to replace.

For those who know Reagan, he will always be known as a firm but fair administrator. For our members who do not know Reagan, it is difficult to describe the important role he has played in Parochial's development.

His concern for the long term consequences of the board's decisions, his concern for fairness in handling difficult circumstances and his consideration of the governing statutes all translated into valuable service to our retirement

system.

Someone suggested that Reagan would miss Parochial when he left and I expect that might be the case. But there is no doubt that the trustees, the staff and our membership will miss him even more.

FEDERAL LEGISLATION AFFECTS PLAN A EMPLOYERS

Federal legislation was passed earlier this year that impacts all state and local government employers not participating in Social Security. In the case of Parochial, this would include all Plan A employers. Because Plan B employers do participate in Social Security, this new legislation does not affect them.

As of January 1, 2005 all employees hired by an employer not participating in Social Security must sign Form SSA-1945 prior to the start of their employment. This form summarizes the offsets employed by Social Security that might affect the Social Security benefit to which they may be entitled.

The employee must sign and date the original form which is maintained by the employer. The legislation also requires that a copy of the signed form be sent to our office.

Earlier this month our office sent out a copy of form SSA-1945 to each Plan A employer along with a cover letter from SSA and another from Parochial. Copies of the forms are available online at the Social Security website:

www.socialsecurity.gov/form1945

(cont. on page 3)

Again, these are Social Security forms available

from SSA as described in their cover letter. Parochial will be unable to provide them to participating employers.

This legislation affects all newly hired employees of state and local government units not participating in Social Security—not just those in Parochial or in Louisiana. It is aimed at reducing the disappointment that occurs when a member learns of the Social Security offsets only at the time of retirement.

We recommend that you submit the copy of the completed form with Parochial's personal history form for all newly hired personnel.

If questions arise concerning this new legislation, please give us a call.

COLAS FOR RETIREES NOT PERMITTED IN 2005

In the retiree newsletter mailed out earlier this year, we explained that there would be no Cost of Living Adjustment in January. The statutory requirements for paying a COLA to retirees were not met. However, in a year when Parochial does meet these requirements, our trustees will give the COLA strong consideration.

INTEREST ON ACCUMULATED DROP BENEFITS

In 2004, as in the previous two years, we are able to pay interest on accumulated DROP benefits for those members who have continued to work beyond their DROP participation. Legislation passed in the 2003 regular session set a money market rate as the appropriate rate of interest. In Parochial's case the average money market rate earned for the past twelve months has been 1.186% and this is the rate approved by our trustees.

Interest is earned only for the period beginning with the end of DROP participation and ending with the date of retirement. For those who received their DROP benefit during the year, a payment of the DROP interest will be made in early January.

For those continuing to work, a credit for the appropriate interest amount will be made to their account.

"WE MUST LEARN TO LIVE TOGETHER OR PERISH AS FOOLS."

—MARTIN LUTHER KING, JR.

"THERE IS NO FAILURE EXCEPT IN NO LONGER TRYING."

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

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

How Many

- _____ Brochures
- _____ Personal History Update Forms
- _____ Election Form for New Employees age 55 and older
- _____ Special Tax Notice

_____ Date

_____ Signature of Appointing Authority

IMPORTANT STUFF!

CONTRIBUTION RATES FOR 2005: Another reminder is in order concerning employer contribution rates for 2005. The Plan A rate will rise from 11.75% to 12.75% and the Plan B rate will go from 5.25% to 5.75%. These new rates will apply to salary reported for the 1st quarter of 2005. Employee rates, 9.50% for Plan A and 3% in Plan B, will be unchanged.

BASIS FOR RETIREMENT CONTRIBUTIONS: While discussing contributions we might also review the basis for those contributions. Both employer and employee rates are based on a member's gross pay. Among the payments excluded from the retirement contribution calculations are automobile allowances, the cost of any insurance paid by the employer, expenses incurred as an incident to employment, lump sum payments for accrued leave. If you have any questions about what compensation should be included in determining retirement contributions, please call our office.

QUARTERLY REPORT FORMS: Quarterly report forms for the fourth quarter are due in the office January 15, 2005. Please keep this deadline in mind as you prepare the report.

1099 FORMS TO BE MAILED: As required by Federal Law we will issue 1099 forms to all retirees and all refund recipients prior to the end of January. These are important documents used in 2004 tax preparation. Questions concerning these forms should be directed to our office at 225-928-1361.

NOTICES OF DEPOSIT: Notices of Deposit, reflecting a member's contributions at December 31, 2004, will be prepared and mailed in March. This document is required by state law. However, any member can request a printed statement of contributions at any time during the year by submitting a written request to our office.



WE WOULD LIKE TO TAKE THIS TIME
TO WISH YOU ALL A VERY MERRY
CHRISTMAS AND A SAFE AND JOYOUS

BOARD OF TRUSTEES

Reagan Sutton, Chairman	Lincoln Parish
Gwen B. LeBlanc	Ascension Parish
Terrie T. Rodrigue	Jefferson Parish
Thomas Nelson	Police Jury
Association	
Jerry Milner	Calcasieu Parish
Rep. Pete Schneider	House Retirement

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Geraldine Ferguson	Data Entry Specialist

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


January

2005

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
						1
2	3 1/3 Refunds mailed	4	5	6	7	8
9	10	11 Cut-off for 1/17	12	13	14	15
16	17 1/15 Refunds mailed	18	19	20	21	22
23	24	25	26 Cut-off for 2/1 Refunds	27	28	29
30	31 F1099 forms mailed					

February

2005

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
		1 1/18 Refunds mailed	2	3	4	5
						

March

2005

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
6	7	8 3/1 Refunds mailed	9	10	11	12

