

PERS NEWS

A PUBLICATION OF THE PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

ISSUE 84

March 2018

2017 INVESTMENT RETURNS

The PERSLA investment portfolio had a tremendous 2017 gaining 17.3% and was a top performer among its peers in the country. The equity markets were strongest during the year due to the broad based global expansion that drove sales and earnings higher for many companies around the globe. The broad based expansion also allowed many of the world's largest central banks to begin reducing their bond buying programs and interest rates began to rise very slowly. The very strong 2017 pushed the investment portfolio's annualized return for the last five years to 9.3% and the assets to 4.1 billion dollars.

US stocks, which comprise the largest part of our portfolio, had a great year gaining over 22%. The stocks we own outside of the US also had a great year returning close to 30%.

The fixed income portion of our portfolio also performed very well gaining over 8% during 2017. We have worked hard over the past few years to ensure our fixed income portfolio is durable and can perform well in many types of economic environments.

The alternatives portion of our portfolio was also helpful during 2017 gaining 8.3% during the year. The alternatives portion of our portfolio includes our real estate holdings, hedge funds, private equity and real asset investments. Importantly, all of the returns shown here are net of management fees.

2018 started off very strong with several parts of the portfolio earning close to double digit returns; however, in early February a sharp sell-off reduced some of the early gains.

APPLICATIONS FOR ACTUARIAL TRANSFER

Members who have service credit in another state or statewide retirement system in Louisiana can apply to transfer that service credit once they have 6 months of service credit in PERS. The application for actuarial transfer can be found on our website, www.persla.org. The member must submit the original application to our office along with a processing fee of \$100. Please contact Dainna Tully or Becky Fontenot at (225) 928-1361 with questions concerning transfers of service.

FIRST QUARTER CONTRIBUTIONS DUE APRIL 15

Quarterly reports for the first quarter of 2018 are due in the retirement system office on April 15, 2018. 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 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 ½% of the total remittance.

SUBMISSION OF DATA THROUGH SECURE FTP

The retirement system has established a secure FTP site that employers can use to submit their monthly or quarterly report data. If your office is interested in submitting the data for your reports via the FTP site, please complete the following information and return it to the retirement system. We will then contact you and provide you with a user name, password and instructions to use for the submission of data. Please understand that you will still be required to submit your report along with your check to the office. You will not be required to submit a CD or disk if you choose to submit your data online.

NAME
OF EMPLOYER _____

CONTACT
NAME _____

EMAIL
ADDRESS _____

PHONE
NUMBER _____

October 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2 Refunds Mailed	3 Administrative Training	4	5	6	7
8	9 Office Closed	10	11 Cut off for 15th refunds	12	13	14
15	16 Refunds Mailed	17	18	19	20	21
22	23	24	25	26	27 Cut off for 1st refunds	28
29	30	31				

November 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1 Refunds mailed	2	3	4
5	6	7	8	9	10 Cut off for 15th refunds	11
12	13	14	15 Refunds mailed	16	17	18
19	20	21	22	23 Office closed	24 Office closed	25
26	27	28 Cut off for 1st refunds	29	30		

December 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1 Refunds mailed	2
3	4	5	6	7	8	9
10	11	12 BOARD MEETING—Cut off for 15th	13	14	15	16
17	18	19	20	21	22	23
24 31	25 Office closed	26 Office closed	27 Cut off for 1st refunds	28	29	30

LEAVE CONVERSION

Conversion of annual and sick leave at the time of retirement is only available for leave that is accumulated in accordance with the employer’s policy. This leave must be available for the employee’s use in order to be considered for conversion purposes. The retirement system may request leave records to verify the days shown on the Employer Request form at the time of retirement or upon entry into DROP. The retirement system may also request a copy of the leave accrual policy for the employer to verify that the leave reported is in accordance with the policy.

MONTHLY REPORTING

Monthly submission of salary and contribution data is something that our retirement system welcomes. The more frequent reporting does have its advantages. In order to process refunds, release first retirement checks or DROP lump sum payments, all contributions must be remitted through the employee’s last day of employment. With monthly reporting, these distributions are able to be processed in a more timely fashion.

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 this data for quick and efficient download at our office. You can contact Dainna Tully to obtain more information on monthly reporting.

OPTION SELECTION AT RETIREMENT

A member chooses his payment option (maximum, Option 2 or Option 3) at the time of retirement or upon DROP entry. A retiree cannot change the designation of the beneficiary listed at the time of the option selection. If an ex-spouse relinquishes all rights to retirement within a certified court order, a change of beneficiary may be permitted.

NOTICES OF DEPOSIT

Our office is in the process of mailing all notices of deposit to participating employers. These notices reflect individual employee contribution balances as of December 31, 2017. We appreciate each employer’s help in distributing these notices to the members. It is our goal to have all notices mailed by April 30, 2018.

2018 REGULAR LEGISLATIVE SESSION

The 2017 Regular Legislative Session will convene on Monday, March 12, 2018 and will adjourn no later than June 4, 2018. The retirement system staff will monitor all bills that are filed to determine the impact on the retirement system. Please contact Dainna Tully at (225)928-1361 if questions arise concerning proposed legislation.

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
- Forfeiture of Retirement Benefits Attestation

EARNABLE COMPENSATION DEFINED

Our office audits salary history at the time a member requests an estimate of benefits and again at the time of application for retirement or DROP. During some of these audits, we find that contributions have been made on forms of payments that are not allowed under our definition of earnings and earnable compensation. When ineligible payments are made, the system must return the employee contributions attributable to the ineligible wages to the member. Employer contributions made on the ineligible wages can only be returned for those wages reported within the past 12 months.

Regular wages and overtime are includable for purposes of determining earnable compensation for retirement purposes. R.S. 11:1902 (11) provides the definition cited in the previous sentence in more detail. This statute also states that earnings shall not include fees and commissions. R.S. 11:233 B provides for additional exclusions from the definition of earnable compensation. Car allowances, lump sum payments for annual and/or sick leave, bonuses, and terminal pay are some of the exclusions provided for in this statute. If you have a question regarding whether a specific type of payment is subject to retirement withholding, please contact Dainna Tully or Becky Fontenot at (225)928-1361.

AUDIT CONFIRMATIONS

Our audit firm, Duplantier, Hrapmann, Hogan & Maher, will be sending correspondence to a random sample of participating employers asking for verification of information. If you receive a verification request, please return it to Duplantier as soon as possible. Your prompt response will facilitate an efficient audit process for the retirement system.

DID YOU KNOW?

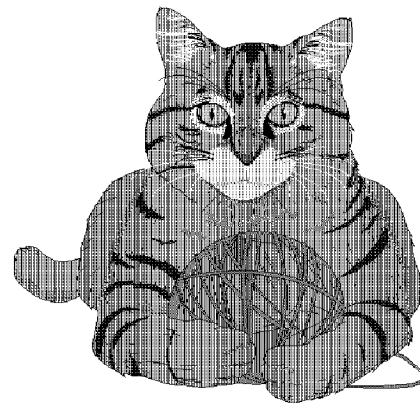
In a recent survey by *Pensions & Investments Magazine*, the Parochial Employees' Retirement System ranked 463 out of the top 1000 retirement funds in a ranking by total assets.

AGE 55 OPT OUT

R.S. 11:1921 C provides for optional membership for new hires who are age 55 or older and have 40 quarters of Social Security coverage at their date of employment. **The option for these employees must be exercised within 90 days of the date of employment.** Until an employee makes the election, the employer should withhold Social Security. If the employee makes an election to participate in PERS, a Personal History form along with the Opt Out form must be submitted to PERS. Contributions to PERS must begin when the election to participate is made. If the employee makes an election to opt out of PERS, then the Opt Out form, along with Social Security Form SSA 7005, must be completed and sent to PERS. An employer will not withhold PERS contributions if an employee opts out of PERS and the employer will not submit a Personal History form for an employee who opts out of the plan.

Please remind employees who qualify for this provision that this is a one time irrevocable election. Once an employee makes an election, it cannot be changed. The election will stand if the employee terminates and then is subsequently rehired.

This opt out provision does not apply to retirees of PERS who are subsequently rehired by a Parochial employer.



BOARD OF TRUSTEES

Terrie Rodrigue, Chairman	Jefferson Parish
Gwen B. LeBlanc	Ascension Parish
R. Bruce Kelly	Rapides Parish
Tammy Bufkin	Calcasieu Parish
Sandy Treme	Police Jury Assn
Rep. Greg Miller	House Retirement
Sen. Barrow Peacock	Senate Retirement

ADMINISTRATIVE PERSONNEL

Dainna S. Tully	Administrative Director
Troy Searles, CFA	Chief Investment Officer
Becky Fontenot	Assistant Director
Geraldine Ferguson	Systems Analyst
Larisa Ellard	Investment Accountant
Eddie Dimaio	Data Entry Specialist
Cari Hill	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

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