

PERS NEWS

A PUBLICATION OF THE PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

ISSUE 59

September 2010

EMPLOYER CONTRIBUTION RATES REMAIN THE SAME FOR 2011

As previously announced in our July 2010 PERS News, the employer rate in Plan A will remain at 15.75% for 2011. The Plan B employer rate will remain at 10.00% for 2011. The employee contribution rates for Plan A and Plan B also remain unchanged at 9.5% and 3% respectively. Although these 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 2011. For budgeting purposes, employers are urged to utilize these rates. Our office will notify you as soon as PRSAC has approved the rates for 2011.

ADMINISTRATIVE TRAINING WORKSHOP

Three years ago we implemented a training workshop for all participating employers. The attendance at each workshop has been outstanding. With such a positive response from our employers, we will host the 3rd Annual Administrative Workshop in Baton Rouge on Tuesday, October 5, 2010 at the Marriott Hotel. 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.

At the time this newsletter went to print, we had over 40 attendees registered for this year's workshop. For those of you who have not registered, 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 on October 5, 2010. Information on hotel rooms for the night of October 4, 2010 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.

SUMMARY OF PRINCIPAL FEATURES

An updated version of the Summary of Principal Features has been sent to the printer. These new summaries will be mailed out to participating employers for distribution to all **active** members during the month of October. These booklets contain a general summary of the features of both Plan A and Plan B through the 2010 Regular Legislative Session. We ask that you promptly provide copies to all active members of PERS once your shipment is received.

THIRD QUARTER CONTRIBUTIONS DUE OCTOBER 15

Forms to be used for remission of quarterly reports have been mailed under separate cover. These forms are also available on our website (www.persla.org) under the Forms tab.

As a reminder, quarterly reports for the third quarter of 2010 are due in the retirement system office on October 15, 2010. 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.

Please make certain that your quarterly report is signed by the appointed authority before remitting to our office. If you are preparing your report close to the deadline, you may want to consider utilizing an overnight service to deliver your report. The cost of a delivery service is typically much less than the penalty that is assessed for a delinquent report. **Your report must be received in our office by October 15, 2010, in order to avoid a late penalty.**

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.


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.



October 2010

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

November 2010

| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
|-----|----------------------|-----|---------------------------|--|------------------|-----|
| | 11/1 Refunds mailed | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | Cut off for 11/15 Refunds | 11 | 12 | 13 |
| 14 | 11/15 Refunds mailed | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | Cut off for 12/1 Refunds |  | 26 Office Closed | 27 |
| 28 | 29 | 30 | | | | |

December 2010

| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
|-----|----------------------------|-----|----------------------|-------------------------|---------------------------|---|
| | | | 12/1 Refunds mailed | 2 | 3 | 4 |
| 5 | 6 | 7 | 8 | 9 | Cut off for 12/15 Refunds | 11 |
| 12 | 13 Board Meeting | 14 | 12/15 Refunds mailed | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 Closed for Christmas | 24 Closed for Christmas |  |
| 26 | Cut off for 1/2/11 Refunds | 28 | 29 | 30 Closed for New Year | 31 Closed for New Year |  |

**PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATIVE TRAINING SESSION
OCTOBER 5, 2010
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, 2010.

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 9/04/10. 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

RETIREMENT ESTIMATE REQUESTS

Those members who are within 3 years of retirement may submit a written request for a retirement estimate. During recent months, our office has received an extremely large number of requests. These requests are processed in the order received; however it is taking approximately 3 weeks to process a request. Please do not submit second requests to our office if an initial request has been submitted. We ask for your patience and understanding as we strive to service all of our members.

DIVIDED REFERENDUM FOR MEDICARE COVERAGE

Act 280 of 2004 allows a divided vote for Medicare coverage for those employees hired prior to April 1, 1986 who currently do not pay the Medicare tax. Under a divided referendum, only those who vote "yes" will pay the Medicare tax of 1.45% and the employer will pay the matching 1.45%.

Why would these employees vote to pay Medicare? In order to receive Medicare Part A at no cost, you must have 40 quarters of Medicare coverage. With at least 30 quarters of Medicare coverage, Medicare Part A would cost \$244 per month. With less than 30 quarters of Medicare coverage, Medicare Part A would cost \$443 per month.

If you are interested in conducting a divided referendum for employees hired prior to April 1, 1986 who currently do not pay Medicare, contact Linda Yelverton at the State Treasurer's office at (225)342-0026.

LIMITATIONS EXIST FOR RETIREES RETURNING TO WORK

When a retiree of this retirement system returns to work for a participating employer, statutory limitations exist. Before you rehire a Parochial retiree, you should contact our office to review the limitations that may affect the rehired retiree. You can review a brief description of our return to work provisions contained in Section 10 of our Summary of Principal Features which can be accessed online at www.persla.org.

MANDATORY SOCIAL SECURITY COVERAGE

The National Commission on Fiscal Responsibility and Reform is examining Social Security. One proposal that has surfaced in the past as a source of funds is mandatory Social Security coverage for government workers. Prior proposals for mandatory coverage would have applied only to new hires. However, as time goes on, even a proposal like this would seriously impact a governmental plan like our Plan A. Please continue to educate your congressmen on the number of employees that you have covered by a governmental defined benefit plan and the need to keep these plans in tact. It is important that those who represent you understand the impact of mandatory Social Security on their constituents at home. Here are some other important points that you can share with your congressmen regarding mandatory Social Security coverage for government workers:

- The cost of mandatory coverage would likely result in a restructured plan for new hires.
- Mandatory coverage increases Social Security's liabilities. By mandating coverage a minimal short term benefit would be gained by the Social Security System, but would result in greater long term liabilities.
- The Social Security Act of 1935 specifically excluded state and local governments from Social Security. As a consequence, state and local governments developed retirement plans as a substitute for Social Security.

Save the Date

**Parochial Employees' Retirement System
Administrative Training Workshop
October 5, 2010
Baton Rouge Marriott**

(registration form on page 3 of this newsletter)

Remember: 3rd Quarter reports are due in our office October 15, 2010, in order to avoid a late penalty. More information concerning these reports can be found on page 1 of this newsletter.

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.

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