

PERS NEWS

A PUBLICATION OF THE PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

ISSUE 88

APRIL 2019

2019 REGULAR LEGISLATIVE SESSION

The 2019 Regular Legislative Session will convene on Monday, April 8, 2019 and will adjourn no later than June 6, 2019. The retirement system staff will monitor all bills that are filed to determine the impact on the retirement system. Please contact Dainna Tully, PERS Administrative Director, at (225)928-1361 if questions arise concerning proposed legislation.

FIRST QUARTER CONTRIBUTIONS DUE APRIL 15

Quarterly reports for the first quarter of 2019 are due in the retirement system office on April 15, 2019. 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.

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, 2018. 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, 2019.

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.

AUDIT CONFIRMATIONS

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

2018 INVESTMENT RETURNS

The PERSLA investment portfolio's return for 2018 was - 5.67%. Coming off strong double-digit annual returns in 2017, equity markets in 2018 looked much different. In the U.S., volatility returned in February after more than a year of being in hiding, in a reaction to what should have been positive news about the U.S. economy spurring fears of rising inflation and interest rates. In March, trade concerns began, with the U.S. implementing tariffs on imported goods and the response in kind by some of our biggest trading partners.


After a summer of climbing the classic wall of worry, October arrived, bringing with it the third rate hike this year from the Federal Reserve (Fed) and strong employment gains, foreshadowing further rate increases and sinking the equity market once again.

Stocks rebounded a bit and ended November in positive territory, but another slide started later that month and carried over into the worst December for U.S. equities since 1931 and ultimately the largest annual decline since the global financial crisis. Outside of the U.S., equity markets also fell, with a rising U.S. dollar, slowing economic growth and concerns about global trade weighing heavily on stocks around the world.

While equities were the worst performers of 2018, other asset classes showed the benefits of diversification. The fixed income portion of the portfolio showed a slightly negative return for the year ending December 31, 2018. The positive performers for the year ending December 31, 2018 were alternatives, real estate and hedge funds.

Investment returns are only one factor in establishing necessary employer contribution rates. Plan experience factors such as mortality, rates of retirement, rates of withdrawal, and rates of salary increases also affect plan costs. Our actuary takes these factors into account as the annual actuarial report is prepared. This report will be delivered to the Board in June and will be used to set contribution rates for 2020.

April 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 Refunds Mailed	2	3	4	5	6
7	8	9	10 Cut Off for Apr. 15th Refunds	11	12	13
14	15 Refunds Mailed	16	17	18	19 Office Closed Good Friday	20
21 Easter 	22	23	24	25	26 Cut Off for May 1st Refunds	27
28	29	30				

May 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1 Refunds Mailed	2	3	4
5	6	7	8	9	10 Cut Off for May 15th Refunds	11
12 Happy Mother's Day!	13	14	15 Refunds Mailed	16	17	18
19	20	21	22	23	24	25
26	27 Office Closed 	28	29 Cut Off for Jun. 3rd Refunds	30	31	

June 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3 Refunds Mailed	4	5	6	7	8
9	10	11	12 Cut Off for Jun. 17th Refunds	13	14	15
16 Happy Father's Day 	17 Refunds Mailed	18 Board Meeting	19	20	21	22
23 30	24	25	26 Cut Off for Jul. 1st Refunds	27	28	29

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.

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.

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.

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.

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	_____

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

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, PERS Administrative Director, to obtain more information on monthly reporting.

DID YOU KNOW?

In a recent survey by *Pensions & Investments Magazine*, the Parochial Employees' Retirement System ranked 461 out of the top 1000 retirement funds in a ranking by total assets.

NEW EMPLOYEE ANOUNCEMENT

We are excited to introduce **Janet Landry**, our new System's Analyst! As the newest member of our team, Janet will be responsible for the management and operation of the system's database of active member and retiree records as well as retiree and DROP payrolls.

KEEP CONTACT INFORMATION CURRENT

Each reporting parish or agency appoints an authorized individual to sign forms submitted to the retirement system. If the appointed authority for your parish or agency leaves employment, please provide a letter designating the new authorized individual. In addition if your address or phone number changes, we ask that you provide those changes to our office in writing.



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Phillip Bourgoyne
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Sandy Treme
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System's Analyst
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