

PERS NEWS

A PUBLICATION OF THE PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

ISSUE 92

MARCH 2020

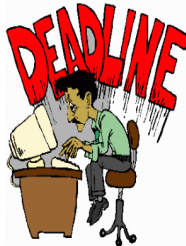
2020 REGULAR LEGISLATIVE SESSION

The 2020 Regular Legislative Session will convene on Monday, March 9, 2020 and will adjourn no later than June 1, 2020. 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.

FIRST QUARTER CONTRIBUTIONS DUE APRIL 15

Quarterly reports for the first quarter of 2020 are due in the retirement system office on April 15, 2020. 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, 2019. 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, 2020.

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.

2019 INVESTMENT RETURNS


The PERSLA investment portfolio's return for 2019 was 17.6%. This above average return last year comes on the heels of a below average -5.7% loss in 2018. Taken together, this serves as a reminder that markets seldom give you an "average" return in time periods as short as a calendar year.

The year was dominated by headlines about the trade dispute between the U.S. and China, signs of a global economic slow-down, negative interest rates, and the easing of monetary policy by central banks. The on-again off-again nature of the trade negotiations between the U.S. and China acted like a puppet master to the stock market for much of the year, but as it became clear that the global economies were showing signs of strain, the Federal Reserve initiated the first of three 0.25% interest rate cuts in July with the most recent coming at their October meeting. As low as they are, interest rates in the U.S. still remain significantly higher than in the rest of the developed world, where at one point in the summer, there were \$17 trillion worth of bonds with negative interest rates.


In the U.S., the stock market as measured by the S&P 500 Index gained 31.5%, which was its second highest return in 22 years. International stocks followed suit with the MSCI All Country World Index x U.S. Index gaining 22.1%. Being globally diversified, the PERSLA portfolio's stocks were up 26.8% for the year. Fixed income investments also enjoyed a very good 2019. In addition to interest payments, most bonds appreciated in value thanks to falling interest rates during the year. The PERSLA fixed income portion of the portfolio gained 8.1% for the year. A small amount of the PERSLA portfolio is dedicated to diversifying strategies such as real estate, private equity and hedge funds. Collectively, that part of the portfolio gained 7.1% and provided valuable diversification from the traditional stocks and bonds that comprise the majority of the portfolio.

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 2021.

April 2020

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

May 2020

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

June 2020

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

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.

SUBMISSION OF DATA THROUGH SECURE FILE TRANSFER PROTOCOL

The retirement system has established a secure File Transfer Protocol (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 _____



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.

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
- Disk Submission Instructions

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 **458** out of the top 1000 retirement funds in a ranking by total assets.

ORIGINAL SIGNATURES REQUIRED

When submitting applications for Refund of Contributions or retirement, our office requires original signatures for both the member and the appointed authority. Please do not send a copy of a scanned document.

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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