



# PERS NEWS

A PUBLICATION OF THE PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

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## 2021 REGULAR LEGISLATIVE SESSION

The 2021 Regular Legislative Session will convene at noon on Monday, April 12, 2021 and will adjourn no later than 6:00 PM on Thursday, June 10, 2021. 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 2021 are due in the retirement system office on April 15, 2021. 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, 2020. 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, 2021.

## 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](http://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.

## 2020 INVESTMENT RETURNS

The PERSLA investment portfolio's return for 2020 was 12.8%. This return follows the 17.6% earned in 2019 to mark the second year in a row the portfolio far exceeded its target return of 6.5%. The portfolio's average annualized return for the last ten years is 8.5%.

No doubt 2020 will be a year remembered mostly for the pain, suffering, and disruption it caused millions of people across the world. If COVID-19 was not bad enough on its own, then mix in the most contentious election cycle in modern U.S. history with hyperactive hurricane and wildfire seasons and there was no shortfall in the negative column. Surprisingly, is the contrast that the performance of the world's investment markets provided within that backdrop. At the end of March, the portfolio had dropped approximately 15% as world wide shutdowns and extreme anxiety served to send stock markets tumbling 33% in a matter of a few weeks. In response, central banks and governments rushed to fill the void of shuttered businesses and forced unemployment by providing unprecedented monetary and fiscal stimulus. Almost as quickly as markets fell in February and March, they begin to ascend to not only their previous levels by August, but to new heights by the end of the year.

For all of 2020, global stock market indexes gained 24.0%. By comparison, PERSLA's stocks posted a return of 26.3%. At the end of the year, a little more than half of the portfolio was invested in stocks. The near term outlook for stocks is clouded by higher than normal valuations on one hand and a mountain of economic stimulus on the other. PERSLA also maintains about one third of the portfolio in fixed income securities which advanced 6.3% for the year. Achieving similar future returns in fixed income securities will be a challenge as interest rates plumb new depths, a direct result of central banks' interest rate policy. The portfolio's remaining investments in real assets, private businesses, and hedge funds are primarily for diversification purposes and returned 5.3% in 2020.

While higher than average investment returns are good news for the strength and longevity of the portfolio, they are only one component in establishing employer contribution rates. Factors such as mortality, new retirements, withdrawals, and salary increases all impact plan costs and are considered by our actuary in preparing the annual actuarial report. This report is presented to the board in June and will determine contribution rates for 2022.

# April 2021

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

# May 2021

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

# June 2021

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1 Refunds Mailed	2	3	4	5
6	7	8	9	10 Cut Off for Jun. 15th Refunds	11	12
13	14	15 Refunds Mailed	16	17	18	19
20  HAPPY FATHER'S DAY	21	22 Board Meeting 	23	24	25	26
27	28 Cut Off for Jul. 1st Refunds	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
- Purchase "Back" Service

### 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 **509** out of the top 1000 largest retirement funds in a ranking by total assets.

### SSA 1945 FORM REQUIRED

The SSA 1945 form is required to be submitted along with the Personal History Form for each member enrolling in Plan A. Please make certain that this form accompanies all personal history forms submitted to our office.

#### IS YOUR CONTACT LIST UP-TO-DATE?

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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PERSNEWS is a quarterly publication of the Parochial Employees' Retirement System of Louisiana, located at 7905 Wrenwood Blvd.,  
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