

# RETIREE NEWS

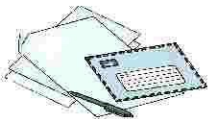
Issue No: 12

July 2010

## COST OF LIVING ADJUSTMENT FOR PLAN A RETIREES APPROVED

The 2009 actuarial report determined that the Board of Trustees is able to grant a cost of living adjustment to retirees of Plan A that qualify under statutory provisions. The Board of Trustees approved a 2.5% COLA for Plan A retirees who are age 62 and older. This COLA will be effective January 1, 2011. In order to qualify for the COLA, a Plan A retiree must be age 62 on or before 12/31/2010 and they must be retired for one full year on or before 12/31/2010 (i.e. last day worked was 12/30/09 and earlier).

It is important to understand that increases such as this one are not guaranteed each year. There are statutory tests that must be met before the Board of Trustees can approve a COLA. It is possible that weak investment returns, as we have seen so far for 2010, could prevent a benefit adjustment in 2012. Information regarding COLAs for 2012 will be available after the actuarial valuation for the year ending 12/31/10 is received by the Board in June of 2011.



## TIPS FOR RETIREES ON ELECTRONIC DEPOSIT

- If you change banks, please have your new bank fax, on their letterhead, your new bank routing number, your new account number, the names of the signees on the account, along with your Social Security number to our office (225-923-0933). If possible, do not close an old account until after the 1<sup>st</sup> of the month to allow your current electronic deposit to be processed.

- Electronic payments are processed 4 days prior to the end of the month. Any changes need to be reported to our office by the 20<sup>th</sup> in order for changes to be made for the 1<sup>st</sup> of the following month.

- If you have someone other than a spouse listed on your checking or savings account, we will require a Power of Attorney signed by the retiree and the individual listed on the account in the presence of a notary. This Power of Attorney form is available on the website under Retiree Forms.

## BOARD UNABLE TO GRANT COLAS TO PLAN B RETIREES

As a result of the 2009 actuarial report, the Board of Trustees was unable to grant a cost of living adjustment to Plan B retirees. As you may recall, COLA's are not guaranteed to be granted to retirees each year. State statutes that govern our plan include two tests that must be met before a COLA can be paid. One test that was met in Plan B involves the rate of return on investments. The plan must have investment returns of 7.5% or greater. Plan B did meet this requirement. However, the other test requires that the plan meet the target ratio as provided by statute. Plan B did not meet this target ratio for 2009. Therefore, retirees of Plan B will not receive a COLA in 2011.

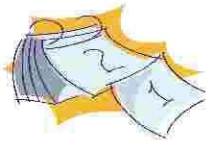
As mentioned in the previous article, it is important to understand that increases are not guaranteed each year. The statutory tests described in the previous paragraph must both be met before the Board of Trustees can approve a COLA. It is possible that weak investment returns, as we have seen so far for 2010, could prevent a benefit adjustment in 2012. Information regarding COLAs for 2012 will be available after the actuarial valuation for the year ending 12/31/10 is received by the Board in June of 2011.

## PAROCHIAL RETIREMENT BENEFITS NOT SUBJECT TO LOUISIANA STATE INCOME TAX

On occasion, we receive calls from retirees with questions concerning state taxes on their retirement benefits. State law provides that benefits from the Parochial Employees' Retirement System are not subject to state income tax. If your tax preparer or the State's Revenue Office need more information on this, direct them to Louisiana Revised Statute 11:1905.

### DID YOU KNOW?

Our retiree population continues to grow. We have a total of 6,059 retirees on payroll as of July 1, 2010.



## ELECTRONIC DEPOSIT OF MONTHLY BENEFIT CHECKS

Electronic deposit is a service that is offered to retirees as a means of reliable and timely payment of their monthly retirement benefits. Currently, over 78% of our retirees utilize this method of payment. There is no charge by Parochial for this service and many banks offer free checking if you agree to the use of electronic deposit for payroll purposes.

If you are not already utilizing electronic deposit, please join the 78% of our retirees who are. Simply complete and return the following form with a voided check attached to our office. If we receive your request by the 15<sup>th</sup> of the month, we will be able to make your deposit electronically on the 1<sup>st</sup> of the following month. If this form is received later than the 15<sup>th</sup>, we may not be able to make the change to electronic deposit by the first of the following month.

**If you are already receiving your benefit by electronic deposit, then you do not need to complete this form.**

### ***PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA APPLICATION/AUTHORIZATION FOR ELECTRONIC DEPOSIT OF RETIREMENT BENEFITS***

I hereby authorize the Parochial Employees' Retirement System, hereafter called **THE SYSTEM**, to initiate credit entries and to initiate, if necessary, debit entries and adjustments for any credit entries in error to my account (select one)

\_\_\_\_\_ **Checking** \_\_\_\_\_ **Savings**

indicated below and the depository (bank) named below, hereafter called **DEPOSITORY**, to credit and/or debit the same to such account.

DEPOSITORY (BANK) NAME: \_\_\_\_\_  
CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_  
BANK TRANSIT/ABA# \_\_\_\_\_ MY ACCOUNT NUMBER \_\_\_\_\_

This authority is to remain in full force and effect until THE SYSTEM has received written notification from me of its termination in such time and in such a manner as to afford THE SYSTEM and the DEPOSITORY a reasonable opportunity to act on it.

NAME \_\_\_\_\_ SOCIAL SECURITY # \_\_\_\_\_  
PLEASE PRINT

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_  
Telephone number: \_\_\_\_\_ Relatives: \_\_\_\_\_

**IN ORDER FOR THIS APPLICATION TO BE ACCEPTED AND TO CONFIRM ACCOUNT NUMBERS, WE MUST HAVE THE FOLLOWING:**

- **FOR CHECKING** - A "VOIDED" CHECK FROM YOUR PERSONAL CHECKBOOK WHICH MUST INCLUDE YOUR "PRE-PRINTED" PERSONAL INFORMATION (ie=Account Name, Address, etc) THE MEMBERS NAME MUST BE INCLUDED ON THE CHECK AS WELL AS THE CHECKING ACCOUNT AS A SIGNEE!! WE DO NOT ACCEPT ANY CHECKS, ESPECIALLY COUNTER CHECKS, WITH "HAND PRINTED" PERSONAL INFORMATION. PLEASE DO NOT SEND A DEPOSIT SLIP FOR A CHECKING ACCOUNT
- **FOR SAVINGS** - A "DEPOSIT SLIP" WITH "PRE-PRINTED ACCOUNT INFORMATION"
- IF YOU CANNOT PROVIDE A COPY OF A VOIDED CHECK OR DEPOSIT SLIP AS REQUESTED, YOU MAY REQUEST YOUR BANK TO PROVIDE THIS INFORMATION ON THEIR BANK LETTER-HEAD AND HAVE IT FAXED TO US AT 225-923-0933.

**\*\*\*PLEASE NOTE: A NOTARIZED "POWER-OF-ATTORNEY" IS REQUIRED ON ACCOUNTS WITH SIGNEES OTHER THAN THE MEMBER AND HIS/HER SPOUSE. (Please send with this application)**

**\*\*\*\*These forms can be provided for your convenience upon request to our office\*\*\*\***

## DELIVERY OF MONTHLY BENEFIT CHECKS



It is important for retirees who choose this method of payment to understand that our checks are delivered by the U.S. Postal Service (USPS). Each month our staff prepares these checks to be delivered to the post office on the last business day of the month. Once the checks are delivered to the post office, we no longer control delivery. It is at this point that the post office takes control of the delivery of the checks.

The U.S. Postal Service has proposed eliminating delivery on a day when mail is light. Possible changes to the delivery schedule for the USPS could impact the delivery of all mail, including retirement checks.

Our policy requires that we allow the USPS 10 business days to deliver retirement checks. Only after 10 business days have elapsed will we place a stop pay on the lost check and issue a replacement check.

We understand the importance of prompt receipt of your benefit payment. You can be assured that all benefit checks are delivered to the post office on the last business day of each month and are mailed first class.

If you would like to begin receiving your monthly benefit by electronic deposit, please complete the form included in this newsletter and send to our office for processing. More information on electronic deposit is included in the previous article.

## VISIT OUR WEBSITE

We encourage you to visit our website, [www.persla.org](http://www.persla.org). This site contains information for retirees, active members and employers. Retirees can access forms to sign up for electronic deposit, change an address, or complete a new Federal withholding form (W-4P). You can also view and download copies of our newsletters from the website.



## QUESTIONS ABOUT LIFE AND HEALTH INSURANCE

The Parochial Employees' Retirement System does not handle life and health insurance for retirees. These benefits, if available, are handled through your former employer. Please direct any questions you have concerning life or health insurance to your former employer's human resource office.

### Board of Trustees

Terrie Rodrigue-Chairman, Jefferson Parish	Tim Ware-Rapides Parish
Gwen Le Blanc-Ascension Parish	Rep. J. Kevin Pearson House Retirement
Robert F. Manuel-Police Jury Assn	Sen. Butch Gautreaux Senate Retirement
Jerry Milner-Calcasieu Parish	

### Administrative Personnel

Dainna Tully-Administrative Director	Geraldine Ferguson-Data Entry Specialist
Tom Sims, CFA-Chief Investment Officer	Eddie Dimaio-Benefits Analyst
Becky Fontenot-Assistant Director	Jean Sullivan-Bookkeeper
Bobbie Deloney-Systems Analyst	Virginia Eckert-Receptionist

## SCHEDULE OF MONTHLY MAILING DATES FOR BENEFIT CHECKS

Below is a schedule of mailing dates for the coming year.

### CHECKS DATED:

August 1, 2010  
 September 1, 2010  
 October 1, 2010  
 November 1, 2010  
 December 1, 2010  
 January 1, 2011  
 February 1, 2011  
 March 1, 2011  
 April 1, 2011  
 May 1, 2011  
 June 1, 2011  
 July 1, 2011

### WILL BE MAILED:

July 30, 2010  
 August 31, 2010  
 September 30, 2010  
 October 29, 2010  
 November 30, 2010  
 December 31, 2010  
 January 31, 2011  
 February 28, 2011  
 March 31, 2011  
 April 29, 2011  
 May 31, 2011  
 June 30, 2011

### ELECTRONIC DEPOSITS SHOULD BE CREDITED BY MIDNIGHT ON:

August 2, 2010  
 September 1, 2010  
 October 1, 2010  
 November 1, 2010  
 December 1, 2010  
 January 3, 2011  
 February 1, 2011  
 March 1, 2011  
 April 1, 2011  
 May 2, 2011  
 June 1, 2011  
 July 1, 2011

# RETIREE CHANGE OF ADDRESS FORM

PLEASE CHANGE MY MAILING ADDRESS:

NAME: \_\_\_\_\_ SOCIAL SECURITY NO: \_\_\_\_\_  
PLEASE PRINT

OLD ADDRESS:

NEW ADDRESS:

\_\_\_\_\_  
STREET OR PO BOX

\_\_\_\_\_  
STREET OR PO BOX

\_\_\_\_\_  
CITY ZIP CODE

\_\_\_\_\_  
CITY ZIP CODE

RETIREE'S CURRENT TELEPHONE NUMBER ( ) \_\_\_\_\_

NAME OF NEAREST RELATIVE \_\_\_\_\_ PHONE NO: \_\_\_\_\_

SIGNATURE OF RETIREE: \_\_\_\_\_

DATE

**RETIREE NEWS** is a publication of the Parochial Employees' Retirement System of Louisiana, located at 7905 Wrenwood Blvd, Baton Rouge, Louisiana 70809.

**Telephone: (225) 928-1361 Fax: (225) 923-0933 Website: [www.persla.org](http://www.persla.org)**

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