

PERS NEWS

A PUBLICATION OF THE PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

ISSUE 108

MARCH 2024

FIRST QUARTER CONTRIBUTIONS DUE APRIL 15



Quarterly reports for the first quarter of 2024 are due in the retirement system office on April 15, 2024. 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.

AUDIT CONFIRMATIONS

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



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, 2023.

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, 2024.

2024 REGULAR LEGISLATIVE SESSION



The 2024 Regular Legislative Session will convene on Monday, March 11, 2024 and will adjourn no later than 6:00 PM on Monday, June 3, 2024. The retirement system staff will monitor all bills that are filed to determine the impact on the retirement system. Please contact Dainna Tully or Kristi Spinoso at 225-928-1361 if questions arise concerning proposed legislation.

2023 INVESTMENT RETURNS

When you least expect it, you should expect it. At least that is how the markets seem to work. 2023 started the year with a litany of obstacles standing between the markets and investors hoping for strong returns. We were coming off of one of the worst years ever for stocks and bonds and a majority of economists were predicting a recession. The only disagreement seemed to be on how long and deep the recession would be. Fast forward to the end of the year and the recession never came and markets surprised to the upside. The PERSLA portfolio returned 13.9% for the year which compared favorably to the actuarial determined target of 6.4%.

The two headlines powering the market and alleviating investor concerns were the resilient job market and cooling rate of inflation. The U.S. remains a consumer driven economy and people having jobs is the best way to ensure the economy stays strong. The post COVID inflation that led to multiple increases in interest rates finally started to come off the boil. This doesn't mean prices will necessarily drop; only that the rate of increase from here will be at a more palatable and lower rate.


The Plan's investments are diversified across three broad asset classes; stocks, bonds, and alternatives. Stocks represent about half of the PERSLA investment portfolio and gained 21.9% for the year. This compares to a gain of 22.2% for the MSCI All Country World stock index. The fixed income investments represent about one-third of the portfolio and enjoyed a gain of 10.0% on a total return basis. By way of comparison, the Bloomberg Global Multiverse bond index gained 6.1%. Bonds benefited from higher levels of interest earned and also the strong economic environment. The final component of the Plan's investment portfolio is the alternative assets sleeve. These investments are spread among real estate, infrastructure, private businesses, and hedge fund strategies all together totaling about 17% of the portfolio. After stabilizing the portfolio's returns in 2022, this area of the portfolio was virtually flat in 2023, declining 0.80% on a total return basis. The portfolio's real estate investments were the largest detractors from performance. The primary purpose of the alternative assets is to function as a diversifier to our stocks and bonds.

Last year's gains serve as a reminder that markets are volatile and unpredictable over shorter time horizons. While annual returns are important, the primary mission of the investment portfolio is to grow at a long-term rate of return that will sustain our funding ratio and the Plan's ability to meet its obligations to participants. The portfolio remains extremely well diversified and is positioned to maximize the probability of meeting the Plan's objectives. In addition to investment returns, there are many other factors that also contribute to the health of the plan and required 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 2025.

April 2024

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

May 2024

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


June 2024

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

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 _____ |  |
|---|---|

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 Kristi Spinosa at

225-928-1361 with questions concerning transfers of service.

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.

DID YOU KNOW?



In a recent survey by *Pensions & Investments Magazine*, the Parochial Employees' Retirement System ranked **459** out of the top 1000 largest retirement funds in a ranking by total assets.

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 Kristi Spinosa 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.

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 (Limit 10 of Each):

_____ 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

AGE 55 OPT OUT

MONTHLY REPORTING

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.



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.

BOARD OF TRUSTEES

| | |
|---------------------------------|-------------------------|
| R. Bruce Kelly, Chairman | Rapides Parish |
| Phillip Bourgoyne | W. Baton Rouge Parish |
| Bridgette Horton | Plaquemines Parish |
| Kelly Fontenot | Calcasieu Parish |
| M. Larry Richard | Police Jury Association |
| Rep. Josh Carlson | House Retirement |
| Sen. Bob Owen | Senate Retirement |

ADMINISTRATIVE PERSONNEL

| | |
|-------------------|-----------------------------|
| Dainna S. Tully | Administrative Director |
| Kristi Spinosa | Asst. Director/Gen. Counsel |
| Christopher Burke | Chief Investment Officer |
| Janet Landry | System Analyst |
| Larisa Ellard | Accounting Manager |
| Joycelyn Gunby | Membership Analyst |
| Cari Hill | Benefits Administrator |
| Joanna Harvey | Benefits Analyst |
| Virginia Eckert | Administrative Assistant |

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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