



Crossroads

A publication of the Louisiana School Employees' Retirement System Vol. 17 No. 1 SPRING 2004

LSERS' Investment Returns Up 18 Percent

LSERS' investment returns were up 18% for the year ending December 31, 2003. During that year U.S. equities earned 30.79%, International equities earned 26.94%, and U.S. bonds earned 5.7%. The previous three consecutive years of bad stock markets have taken its toll on public and private pension funds in all 50 states. While many funds have suffered negative returns that averaged minus 5% (-5%) to minus 20% (-20%), LSERS' average for the last three years was minus 1/2 of 1% (-.5%). The turnaround in performance during 2003 is a positive indicator that things are improving for public pension funds.

The value of LSERS' assets rose by \$146 million dollars in calendar year 2003, which brought LSERS' total assets to \$1.4 billion dollars. This indicates a turnaround and a substantial improvement in your systems' investment returns. Every public pension plan is looking for value in the market. Where many plans have taken chances and have realized losses with risky investment practices, LSERS' approach has been one of low risk investment practices. LSERS' mission is to protect, preserve, and enhance the hard earned money that is contributed to this system by state taxpayers and active members. The

ten year average rate of return for LSERS was 8.23%. The actuarial assumption rate, or the investment rate of return needed to meet expenses, is 7.5%.

In order to grant future COLAs (cost of living allowance), LSERS needs to accomplish two things. First, it needs to maintain an investment return of higher than 7.5% (LSERS' assumption rate) for three consecutive years. Second, it must meet what is referred to as the "target ratio," which is set by law. If the investment markets continue to improve, your system will move in a direction that will once again help provide the ability to grant future COLAs. In the '90s, when the markets were continually rising, LSERS surpassed that mark each year and was able to grant a COLA each year for 15 years. In that same period of time, Teachers' Retirement System and State Retirement System only granted about three or four COLAs. During this current legislative session, LSERS' Board of Trustees has directed staff to pursue

(continued on page 5)

New Board Member Sworn In to Represent District 1

District 1 has elected a new LSERS board trustee to replace long-term trustee Boyd "Zeke" Zitzmann. The new trustee is Earl Richard. Richard has been an employee of the Orleans Parish School Board for over 31 years. He has been a shop steward for Teamsters Local for about 25 years. He helped establish the union for the custodians. Richard is on the Committee for Employee Promotional Programs and volunteered to promote the tax to help Orleans Parish Schools, among other qualifications.

Richard is pleased to have the opportunity to serve his fellow LSERS members in District 1 and asks that anyone with questions or needing information get in touch with him. ♦



Earl Richard is sworn in as District 1 Trustee at the January Board meeting.

Inside this Issue:



New Retirement Application Procedures	page 2
LSERS Proposes Legislation	page 2
District 3 Election this Fall	page 3
2004 - 2005 Contribution Rates Announced	page 3
Retirement Seminars Are Scheduled for 2004	page 4
Tips on Protecting Your Identity	page 5
New Employer Manual Distributed in July	page 6

New Retirement Application Procedures Are Being Implemented

LSERS is implementing new procedures for members applying for retirement or entering the DROP program. We have developed a new DROP application and will also have new Service, IBRP and Early Retirement applications. We are still accepting the old applications, however effective July 1, 2004, we will no longer accept the old applications. With the new applications, when you apply for retirement or enter DROP, certain documents are required to be submitted along with your application. We will no longer accept faxed copies of applications, nor applications without the required documents. The required documents must be submitted along with your application in order for the application to be considered complete. If you submit your application without the required documentation, the application will be returned to you. Your retirement will become effective the day we receive a completed application or the day after your last day of work, whichever is later. Following is a list of documents that are required to be submitted along with your application:

1. Your social security card and birth certificate. If you do not have a birth certificate you should contact your employer or the retirement system to find out the documents we

will accept as proof of your age.

2. The social security card and birth certificate of your beneficiaries.
3. The social security card and birth certificate of your legal spouse, if applicable.
4. If you are widowed or divorced, we will need a certified copy of your spouse's death certificate or legal judgment of divorce and/or community property settlement, if applicable.
5. Form 11, Spousal Consent for DROP or IBRP Account, if you have a legal spouse, and your spouse is not designated to receive at least 50 percent of the amount in your DROP or IBRP account.
6. Form 11-B, Spousal Consent for Benefit Option Selection, if your legal spouse is not designated as your only beneficiary on the application.

If you name more than one beneficiary on your application we will only calculate benefits payable under Maximum or Option 1. If you want to leave a monthly benefit to a beneficiary after your death, under Options 2, 2A, 3, or 3A you must name only one beneficiary in the Retirement

Plan beneficiary section of the application.

It is very important that you obtain an estimate of benefits prior to your effective date of retirement. We recommend that you obtain the estimate one to three years before you plan to retire. By obtaining an estimate you will know the approximate amount of your benefit upon retirement under the various options. This will provide you with the necessary information, so when you are ready to retire you are informed and knowledgeable about the retirement process. You will also need to obtain as many of the required documents as possible ahead of time, so that the absence of these documents does not delay your retirement.

Retirement is a time filled with emotions, both joyous and sad. You're entering a new phase of life, making a major transition. Our goal is to help this transition go as smoothly as possible by providing your well-deserved retirement benefit, but we need your help. We need you to communicate with your employer and us, and provide the necessary information with regard to your retirement. With all of us working together, we are confident that we can reach our goal! ❖

LSERS Proposes Legislation on the Reemployment of Retirees

Under current law any service retiree may be employed by any parish school board on a part-time basis, provided that his earnings from July 1 through June 30 of any year do not exceed fifty percent of his final average compensation at the time of retirement. There is an annual cost-of-living adjustment based upon the

percentage increase or decrease in the Consumer Price Index. Once the retiree's salary exceeds fifty percent of their final average compensation at the time of retirement, the retirement benefit is suspended for the remainder of the year. The employing agency shall report the name, social security number, and the amount of the

earnings to the system. Failure to report subjects the employing agency to liability for the overpayment.

LSERS is proposing a change in this law that would allow any retiree of the system to be reemployed by a school board in a position covered by this

(continued on page 5)

District 3 Election this Fall

An election for the LSERS Board of Trustees Active Member District 3 seat will be held this Fall. This is a four-year term, which begins January 1, 2005 and ends December 31, 2008. The Active Member District 3 seat is currently held by Joe Seymour, whose term ends December 31, 2004.

To qualify for the Third Retirement District, you must:

1. Reside in the Third Retirement District which consists of the following parishes: Bienville, Bossier, Caddo, Caldwell, Catahoula, Claiborne, Concordia, Desoto, East Carroll, Franklin, Jackson, LaSalle, Lincoln, Madison, Morehouse, Ouachita, Red River, Richland, Tensas, Union, Webster, West Carroll, and Winn.
2. Submit a written request by mail or fax for an official Nominating Petition to Mr. Patrick Cosper, Director, P.O. Box 44516, Baton Rouge, LA 70804, or fax it to 225-922-0350.
3. Obtain the signature, social security number, and address of at least ten active members of the Louisiana School Employees' Retirement System who also reside in the Third Retirement

District. This information must be submitted on an official Nominating Petition and be verified by this office before you officially qualify.

4. Submit a completed, **notarized** Nominating Petition to this office no later than 4:30 PM., June 11, 2004. For hand delivery, the physical address is 8660 United Plaza Blvd., 1st Floor, Baton Rouge.

A notice of official qualification will be mailed to you upon verification of your Nominating Petition. Also, a biographical form including instructions will be mailed to qualifying candidates if more than one person qualifies.

If more than one person qualifies for this trustee seat, a ballot containing the names of all qualified candidates will be mailed on October 5, 2004 to all active members residing in the Third Retirement District along with a postage-paid, self-addressed envelope for return of the ballot. The deadline for returning the ballot is November 5, 2004. Official counting of the ballots will be held before the opening of the November 22, 2004 regular board meeting.

For more information on this election, contact Judy Wright at 1-800-256-3718. ❖

Group Benefits Has April Enrollment

The Office of Group Benefits (OGB) is holding the annual open enrollment period from April 1 - 30. Enrollment meetings are being held throughout the state in April. Both active and retired members will be notified of the enrollment period in the OGB newsletter. **You must return your annual enrollment form to your personnel office or to the Office of Group Benefits only if you are changing from one plan to another.** If you are keeping your current plan you do not fill out the enrollment form.

This year OGB is holding special meetings for retirees with Medicare. OGB is mailing the annual enrollment document to retirees' homes for their convenience.

Plan options for this year have not changed from last year. They include the PPO, EPO, HMO, and MCO. Call OGB at 1-800-272-8451 for more information. ❖

Farewell to East Baton Rouge Parish Workers

We all wish a sad farewell to the East Baton Rouge Parish maintenance workers, custodians, and janitorial workers. Effective March 12, 2004 the East Baton Rouge Parish School Board decided in an unusual move to privatize these services. This has caused a lay off of some 446 East Baton Rouge Parish LSERS members. Having compassion on each of you in this difficult time, we wish you and your families a brighter employment future. ❖

Visit LSERS' Web Site
www.lasers.state.la.us

2004 - 2005 Contribution Rates Announced

The Public Retirement Systems' Actuarial Committee has recommended that the employer contribution rate for the Louisiana School Employees' Retirement System be set at 18.8% of payroll for fiscal year 7/1/04 through 6/30/05.

The employer contribution rate was projected to increase to 17.7%, mainly as a result of investment losses due to the downturn of the markets over the last three fiscal years. The actual employer rate for the current fiscal year should have been 17.4% instead of 11.2%, which is the current

employer contribution rate. As a result, employers are contributing 6.2% less than the required contribution for the current year. The recommended rate of 18.8% includes the shortfall from the current year. The balance in the employer credit account will be depleted at the end of this fiscal year, therefore employers will be required to remit the entire employer contribution rate of 18.8% beginning July 1, 2004.

The member contribution rate for 2004-2005 will remain at 7.5%. ❖

Retirement Seminars Are Scheduled for 2004

Retirement Planning Seminars have been scheduled at various locations throughout the state for 2004. These seminars will provide active members and retirees with important information you need to know about your retirement benefits. Whether you are just starting out, close to retirement, or retired you need to know about the benefits your retirement system provides. Ms. Geri Galloway, a Retirement Benefits Analyst, will conduct the seminars and provide answers to your retirement questions. The seminars will be held from 9:00 a.m. to 12:00 p.m.

There will also be a Social Security representative available at the seminars. Many of you have other jobs in which you have paid Social Security or have a spouse who has paid social security. You need to know what benefits you will be eligible for from Social Security.

Below is a list of the dates and locations of the seminars. If you wish to attend one of the seminars, you must contact Ms. Galloway by telephone at 1-800-256-3718 or 225-925-7492, or by e-mail at ggalloway@lsers.state.la.us. If you leave a message or send an e-mail, please include the following: your

name, social security number, the date and location of the seminar you wish to attend, and your telephone number.

Friday, April 16 - Monroe City School Board, Media Center, Monroe.

May 5, 6, 7 - Orleans Parish, Title I Bldg., 4300 Almonaster Ave, New Orleans.

Tuesday, May 25 - Bogalusa City School Board, Media Ctr. Bogalusa.

Tuesday, June 1 - Calcasieu Parish School Board, Lake Charles.

Thursday, June 3 - Rapides Parish, Peabody Magnet High School, Alexandria.

Wednesday, June 9 - Livingston Parish, Denham Springs Jr. High

Cafeteria, Denham Springs.

Wednesday, June 16 - Lincoln Parish, Title 1 Resource Center, 504 E. Arizona, Ruston.

Thursday, June 17 - Ouachita Parish, Ouachita High School, Monroe.

Thursday, July 1 - Lafourche Parish, Thibodaux High School, Thibodaux.

Wednesday, July 14 - Franklin Parish, Winnsboro High School, Winnsboro.

Thursday, July 22 - Lafayette Parish, Federal Bldg., 113 Chaplin Dr., Lafayette.

Thursday, July 29 - St. Mary Parish School Board, Centerville.

Wednesday, August 4 - St. Tammany Parish School Board, Board Room, Covington. ❖

We Are Looking for Your Current Address

As your retirement system, LSERS is obligated to keep current contact information on you. Many of you don't remember to notify us when you move, which causes our contact information to become outdated, giving us no way to stay in touch with you. We always want to have your contact information so we can relay important retirement information to you. In an effort to resolve this problem, we are now using U.S. Post Office address information, which is

provided to us with each newsletter mailing. Our records will be automatically updated, using the current mailing address you have provided to the U.S. Post Office.

If you wish for us to use an address for you other than the one you have provided to the U.S. Post Office, you will need to let us know. If you notice you are no longer getting newsletters from us, you will need to let us know. ❖

LSERS Member Change of Address

Be sure to notify LSERS if your address has changed recently. Please complete this change of address card and mail it to LSERS, P.O. Box 44516, Baton Rouge, LA 70804.

Name _____ Home phone: _____

Address _____

City/State/Zip _____

Membership status: (check one) Active _____ Retired _____

Signature _____ Soc. Sec. # _____
(required)

		Mailing and Direct Deposit Dates for Monthly Benefit Checks			
		Retiree Checks		DROP & IBRP Checks	
Mailed	Deposited	Mailed	Deposited		
Apr 30 May 31 Jun 30 Jul 30 Aug 31	May 3 Jun 1 Jul 1 Aug 2 Sept 1	May 5 Jun 4 Jul 1 Aug 5 Sept 3	May 5 Jun 7 Jul 1 Aug 5 Sept 6		

Tips on Protecting Your Identity

We've all heard horror stories about fraud that's committed in stealing a name, address, Social Security number, credit cards, and other personal info. Here are a few tips to protect yourself in the event this happens to you:

- The next time you order checks have only your initials (instead of first name) and last name put on them. If someone takes your check book they will not know if you sign your checks with just your initials or your first name but your bank will know how you sign your checks.
- When you write checks to pay credit card accounts, DO NOT put the complete account number on the "For" line. Instead, just put the last four numbers. The credit card company knows the rest of the number and anyone who might handle your check as it passes through all check processing channels won't have access to it.
- Do not put your home phone number on your checks. If you have a PO Box use that instead of your home address.
- Never have your SS number printed on your checks, you can add it if it is necessary. But if you have it printed, anyone can get it.
- Place the contents of your wallet on a photocopy machine, do both sides of each license, credit card, etc. You will know what you had in your wallet and all of the account numbers and phone numbers to call and cancel. Keep the photocopy in a safe place. Carry a photocopy of your passport when you travel either here or abroad.

Once your wallet is stolen, within a few days thieves are able to take advantage of your identity by tapping into your financial resources in a detrimental manner to you. Thieves are able to do such things as make

purchases with your credit cards and checks, apply for credit cards, increase your line of credit, and change your driving record on-line among other things.

Here's some critical information to limit the damage in case this happens to you or someone you know:

- You should cancel your credit cards immediately. The key is having the toll free numbers and your card numbers handy so you know whom to call. Keep those where you can find them easily.
- File a police report immediately in the jurisdiction where it was stolen. This proves to credit providers you were diligent, and is a first step toward an investigation (if there ever is one).

Here's what is perhaps most important:

- Call the three national credit reporting organizations immediately to place a fraud alert on your name and Social Security number. Since applications for credit can be made under your name on the Internet, this will put a stop to the approval of credit. The alert means any company that checks your credit knows your information was stolen and they have to contact you by phone to authorize new credit. This will prevent approval of any attempts made by the thieves to increase your credit with any of your credit card issuers.

The numbers for the national credit reporting organizations and the Social Security Administration Fraud Line are as follows:

- Equifax: 1-800-525-6285
- Experian (formerly TRW): 1-888-397-3742
- Trans Union: 1-800-680-7289
- Social Security Administration (fraud line): 1-800-269-0271 ❖

Investment Returns

(continued from page 1)

legislation that will address the "target ratio" formula that specifies how COLAs may be granted. If the formula is changed or reset for the system, then the ability to grant future COLAs could come sooner for retired members. Staff is working with legislators to accomplish that goal. ❖

Legislation

(continued from page 2)

system on a full-time, part-time, temporary, or substitute basis. Any retiree includes those retired under Regular Service Retirement, those retired under the Deferred Retirement Option Plan who have terminated service, those retired under the Initial Benefit Option Plan, or those retired under the Early Retirement provisions. If such reemployed retiree's earnings exceed by fifty percent the final average compensation at the time of retirement during the period from July 1 through June 30 of any year, the amount of the excess earnings shall be repaid to the system either by direct repayment, or by suspension of benefits until repaid. Any person who maintains membership in this system while engaged in other state employment shall be subject to these provisions.

The employing agency or the reemployed retiree shall notify the system in writing of the employment and the date on which it started, within thirty days after commencement, and upon termination of employment. During the employment both employee and employer contributions shall be made to the system, but no additional service, nor retirement benefit shall be earned. Upon termination, the employee contributions since reemployment shall be returned to the employee, without interest. The employer contributions shall be retained by the system. Failure to report subjects the employing agency to liability for the overpayment. ❖

LSERS
BOARD OF TRUSTEES

Joe Seymour, Chairman

3rd Retirement District, 318-728-2729

Betty Jacobs, Vice Chairman Pro-Tem

2nd Retirement District, 225-925-5667

Earl Richard, Jr.

1st Retirement District, 504-947-2133

Sylvia Myers

4th Retirement District, 337-478-7162

Betty Crain

Retiree Representative, 985-735-5359

Jeffrey Faulk

Retiree Representative, 337-893-3315

Ex Officio Members:

Larry Wilmer, Vice Chairman

President, La. School Bus Operators

Association, 318-964-5928

W. Fox McKeithen

Secretary of State, 225-342-4479

John Kennedy

State Treasurer, 225-342-0010

Lambert Boissiere, Jr.

Chairman, Senate Retirement

Committee, 225-342-2062

Pete Schneider

Chairman, House Retirement

Committee, 225-342-2445

Patrick Cospier

LSERS Director

Debra Dudley

LSERS Assistant Director

Judy Wright

LSERS Public Information Director and

Newsletter Editor

New Employer Manual Distributed in July

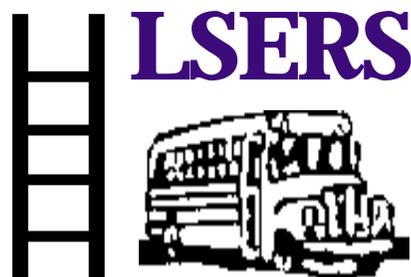
We are in the process of completing our employer manual. We have updated several forms, which are available on our web site. Once completed, the manual will contain all new forms with procedures for processing. The manual will be sent to the employing agencies by June 1, 2004. After July 1, 2004, we will no longer accept the old forms. The entire manual and forms will be available on our web site by

June 1, 2004. We will send each agency one copy of the manual. If you wish to receive more than one copy, you will need to notify Ms. Judy Wright via e-mail, jwright@lsers.state.la.us, of the number of manuals you will need. Please be aware that the processing of applications has changed (see the article, "New Retirement Application Procedures Are Being Implemented" in this newsletter). This information is detailed in the employer manual. ♦♦

LSERS Tidbits

Retirement Planners - If you are within five years of retirement or new to LSERS, go by your local school board office and request one. Or visit the web site at www.lsers.state.la.us under the "Member Information/Publications" section. Or, call us to request your packet.

Moratorium on cost of living increase for LSERS unclassified staff - At the April 12, 2004 LSERS Board of Trustees meeting the three LSERS unclassified staff chose to place a moratorium on their usual cost of living increase for the coming fiscal year due to poor stock market returns. ♦♦



Crossroads

This public document was published at a total cost of \$4,014.00. Twenty-six thousand seven-hundred fifty copies of this document were published in this first printing at a cost of \$4,014.00. The total cost of all printings of this document, including reprints, is \$4,014.00. This document was published by the Louisiana School Employees Retirement System, P.O. Box 44516 - Capitol Station, Baton Rouge, Louisiana, 70804-4516, to provide members of LSERS with information concerning changes and policies of the system. This information is not a substitute for, nor provides any rights or benefits, except as contained in the LSA Revised Statutes governing LSERS. This newsletter was printed in accordance with R.S. 43:31B.

Louisiana School Employees' Retirement System
P.O. Box 44516 - Capitol Station
Baton Rouge, Louisiana 70804-4516

Location: LSERS Building
8660 United Plaza Blvd. - First Floor
Baton Rouge, Louisiana 70809

Telephone (225) 925-6484, Toll-free **1-800-256-3718**
Office Hours: 8:00 a.m. to 4:30 p.m., Monday-Friday
Visit LSERS' Web site at: www.lsers.state.la.us

Presorted
Standard
U.S. Postage
PAID
Baton Rouge, LA
Permit No. 508