

CROSSROADS



A Publication of the Louisiana School Employees' Retirement System

DECEMBER 2019



Investment actuarial rate of return for FY 2019

The Louisiana School Employees' Retirement System (LSERS) ended the 2018-19 fiscal year on June 30 with \$1.96 billion in its valuation of assets, and an actuarial annual return of 5.37%. The projected DROP/IBRP interest rate is 4.87% for those retired under the old DROP or IBRP (retirees before 1/1/2004). Additionally, the system's funded ratio was 74.39% with a discount rate of 7%. The LSERS Board of Trustees adopted the actuary's recommended rates, pending final approval of the Public Retirement Systems' Actuarial Committee (PRSAC).

Election set in 2020 for District 3 Board seat

An election is scheduled in 2020 to fill the Active Member – District 3 seat on LSERS' Board of Trustees to serve a four-year term that will start January 1, 2021 and will end December 31, 2024.

Any member who wishes to qualify as a candidate for the Active Member – District 3 seat must be actively employed by a school system and must reside in one of the following parishes: Bienville, Bossier, Caddo, Caldwell, Catahoula, Claiborne, Concordia, East Carrol, Franklin, Jackson, Lincoln, Madison, Morehouse, Ouachita, Richland, Tensas, Union, Webster, and West Carrol. A member who resides out of state may qualify provided he/she is employed in one of the parishes listed in District 3. "Active Member" includes members currently in DROP or working after DROP. However, it does NOT include any retiree who has returned to work under the provisions of La. R.S. 11:1006 or 11:1007.

A written request for an official nominating petition must be submitted and addressed to Charles P. Bujol, LSERS' Executive Director, in care of Ashley D. Simmons. The written request for a nominating petition may be emailed to asimmons@lsers.net, faxed

to 225.922.1001, or sent by U.S. mail to Mr. Bujol's attention, addressed in care of Ashley D. Simmons, LSERS, P.O. Box 44516, Baton Rouge, LA 70804-4516.

A completed and notarized nominating petition must be received in LSERS' office by 4:30 p.m. on March 2, 2020. LSERS will verify qualification of those who submitted a nominating petition and mail confirmation to qualifying candidates.

An interested active member will be required to include the signatures and membership information of ten (10) active members of LSERS who reside in the District.

If more than one candidate qualifies for this Board seat, LSERS will mail a ballot, a brochure containing the name, profile, and photograph of each candidate, and a self-addressed, postage-paid return envelope to each voter's home address on April 28, 2020. Ballots must be returned, by 4:30 p.m. on May 28, 2020. LSERS' Executive Director will announce the results of the election on June 8, 2020.

Questions about this election should be directed to LSERS' Executive Counsel, John W. Strange, at 225.925.6490, or toll-free at 1.800.256.3718, or email at jstrange@lsers.net.



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2 Watch for tax Form 1099-R in your mail in January, 2020

LSERS will mail IRS Federal Form 1099-R for 2019 in January 2020.

- If you need to update your address, please submit a Form 2AC – Change of Address Authorization available at www.lasers.net > Resources > Forms by January 8, 2020.

- If you have not received your Form 1099-R by February 6, 2020, please call 225.925.6484, or toll free at 1.800.256.3718, or email LSERS at webmaster@lsers.net.

Access it online - It is easy to locate your 1099-R online: Visit www.lasers.net, login to your retirement account, select “View Personal Information”, and then click “1099-R” tab. Choose “Download Letter” next to year 2019 to view and print your form.

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and phone no.		1 Gross distribution	OMB No. 1545-0119	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
		\$	2019	
		2a Taxable amount	\$	Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2019 General Instructions for Certain Information Returns.
		2b Taxable amount not determined <input type="checkbox"/>	Total distribution <input type="checkbox"/>	
PAYER'S TIN	RECIPIENT'S TIN	3 Capital gain (included in box 2a)	4 Federal income tax withheld	
		\$	\$	
RECIPIENT'S name		5 Employee contributions/ Designated Roth contributions or insurance premiums	6 Net unrealized appreciation in employer's securities	
		\$	\$	
Street address (including apt. no.)		7 Distribution code(s)	8 Other	
			\$ %	
City or town, state or province, country, and ZIP or foreign postal code		9a Your percentage of total distribution %	9b Total employee contributions	
		%	\$	
10 Amount allocable to RRR within 5 years	11 1st year of desig. Roth contrib.	FATCA filing requirement <input type="checkbox"/>	12 State tax withheld	13 State/Payer's state no.
\$			\$	\$
Account number (see instructions)		Date of payment	15 Local tax withheld	16 Name of locality
			\$	\$
			17 Local distribution	\$

Form 1099-R Cat. No. 14436Q www.irs.gov/Form1099R Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

Breaking down information on your tax Form 1099-R

Reminder: LSERS retirement benefits are not subject to Louisiana state income tax for a Louisiana resident filing a Louisiana income tax return.

Form 1099-R contains the following boxes of information:

- Box 1 Gross distribution:** Total retirement benefits you received for the calendar year 2019
- Box 2a Taxable amount:** Taxable amount to be reported for federal income tax purposes
- Box 4 Federal income taxes withheld:** Federal income taxes LSERS withheld from your 2019 benefits

- Box 5 Employee contributions:** The amount in Box 5 is NOT your insurance premium. It represents the tax-free portion of retirement benefits you received during the calendar year. This tax-free portion is subtracted from your Gross Distribution reported in Box 1 to equal your Taxable amount shown in Box 2. The tax-free amount reflects a portion of unsheltered retirement contributions you paid before July 1, 1994. You have already paid taxes on the amount in Box 5; you don't have to pay them again.

We recommend contacting your tax advisor if you should have any questions about your Form 1099-R.

Is your important info current with LSERS?

Remember it is never too early to ensure that LSERS has the current personal identifying information for you and your beneficiaries. If you have not already done so, please send in copies of documents such as birth certificates, social security cards, marriage license and divorce decree, so that we may verify that the information we have on file for you and your beneficiaries is correct and current. Having these supporting documents will assist in expediting the processing of your retirement application.

We also encourage you to keep your address and beneficiary information up to date. Submit Form 3 – Named Beneficiary for adding or updating your beneficiary information, and Form 2AC – Change of Address Authorization to update your home address. Active members can also change home addresses through your online account access.

Remember to register for online account access for easy 24-hour access to your account at www.lasers.net > LOGIN > Member Registration.



New self-directed plan program: **EMPOWER RETIREMENT!**

In the August 2019 edition of our newsletter, we mentioned that Act 78 of the 2019 La. Legislative Session authorized LSERS to hire a third-party administrator to manage members' DROP/IBRP LA accounts under a Self-directed Plan (SDP).

LSERS' Board of Trustees has now carefully selected Empower Retirement for this purpose. Empower Retirement also manages the state Deferred Compensation Plan, La. State Employees' Retirement System's DROP and ORP retirement plans, as well as similar plans with numerous other retirement systems within the state.

Empower began its partnership role with LSERS on November 4, and mailed approximately 1,500 letters on behalf of LSERS to our current DROP/IBRP LA participants (those who participated/retired under either plan on or after 1/1/2004). This letter included:

- an introduction of Empower Retirement as the third-party administrator of DROP/IBRP LA accounts effective January 1, 2020,
- plan enhancements with the Empower Retirement,
- new investment options and fund mapping,
- and member expectations during the transition period, from now to January 10, 2020.

If you anticipate applying for the DROP/IBRP retirement and are interested in learning more about this new self-directed plan, a sample letter can be located online at www.lasers.net under the news section titled "DROP/IBRP LA Account Management – Empower Retirement."

Keep your eyes peeled for updated retirement applications, fact sheets, online news, etc. as our transition progresses. Until the transition is complete, please address your questions/concerns through email at webmaster@lasers.net or 1.800.256.3718, option 6.

Submission of documents important for timely payments

Timely submission of applications and all required corroborating documents is essential for timely payments. This includes, but is not limited to, regular retirement, survivor benefits, disability, and refunds. The date we receive the application and required documents is a critical component within these processes, and we want to ensure each member is timely served.



Retirement rights for military called to active duty

Any LSERS member called for active duty in the uniformed services has the right to maintain retirement benefits, according to the Uniformed Service Employment and Re-employment Rights Act (USERRA), 38 U.S.C. Section 4318.

Members who are called to active military duty may:

- Use paid leave during the military duty absence. Both employee and employer contributions to LSERS must be reported, and service credit will count towards retirement eligibility and benefit computation.
- Take leave without pay (LWOP) during the military duty absence, and submit employee contributions to the employer. The employer must report and remit both employee and employer contributions to LSERS. Service credit will count towards retirement eligibility and benefit computation.
- Choose not to submit employee contributions to the employer during LWOP while on the military duty absence. Service credit will count towards only retirement eligibility.

If you are called to active duty, please ensure your employer notifies LSERS regarding your active duty start and end dates.

Members honorably discharged and returned to the same employment within 90 days of your military separation date, who chose not to submit employee contributions during the military duty absence, may purchase service for computation within a limited time period after the date of re-employment, which is the lesser of five years or three times of active duty period. Upon the employee contribution received by LSERS' office, employer must remit contributions within 30 days.

If you have any questions on USERRA service credit purchase or any special questions, please contact Mandy Schof at mschof@lasers.net or 225.925.7036.

Getting to LSERS is Simple

LSERS' office is off Essen Lane between I-10 and I-12. The street address is 8660 United Plaza Blvd., Baton Rouge.

From I-10, exit on Essen Lane. Turn right if coming from the south and left if coming from downtown or the north. Turn right on United Plaza Blvd. LSERS is the first building on the left.

From I-12 east, exit on Drusilla Lane and turn left. Turn right on Jefferson Highway and left on Essen Lane. Take the second entrance to United Plaza Blvd. on the left. LSERS is the first building on the left. From I-12 west, exit on Essen Lane. Take a right on Essen Lane, then the second entrance to United Plaza Blvd. on the left. LSERS is the first building on the left.



Jeffrey Faulk, Sr., *Board Chairman,*
Retiree Representative - Division 2, 337.893.3315

Eugene Rester, Jr., *Board Vice Chair Pro Tem,*
Retiree Representative - Division 1, 985.516.0369

Philip B. Walther, *Board Vice Chair,*
1st Retirement District, 504.443.4005

Colleen C. Barber
2nd Retirement District, 985-630.0164

Penny Brown
3rd Retirement District, 318.614.3412

Andrea S. Matte
4th Retirement District, 337.302.2883

EX-OFFICIO MEMBERS

Kyle Ardoin
Secretary of State, 225.922.2880

John Schroder
State Treasurer, 225.342.0010

Barrow Peacock
Chairman, Senate Committee on Retirement
225.342.0656

Barbara W. Carpenter
House Committee on Retirement, 225.771.5674

Henry J. Yearby
President-LSBOA, 318.649.6521

Jay Dardenne
Commissioner of Administration, 225.342.7000

ADMINISTRATION

Charles P. Bujol
Executive Director

Chenfei Zhou
Assistant Director

John W. Strange
Executive Counsel

Matthew J. Freedman
Chief Investment Officer

Ashley D. Simmons
Executive Staff Officer

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

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Location: LSERS Building, 8660 United Plaza Blvd. - First Floor
Baton Rouge, Louisiana 70809-7004

Telephone 225.925.6484, Toll-free 1.800.256.3718
Office Hours: 7:30 a.m. to 4:30 p.m., Monday-Friday
Visit LSERS' website at: www.lasers.net

Board Meeting Schedule

January 6	Investment Committee Meeting	9 am
February 10	Quarterly Board Meeting	9 am
February 11	Quarterly Board Meeting	8:30 am
March 9	Investment Committee Meeting	9 am
April 6	Investment Committee Meeting	9 am
	Personnel Committee Meeting	

For a complete listing of all board meeting dates and times, visit our website at: www.lasers.net

LSERS Member Change of Address

Updating your mailing address can easily be done by any of the following methods:

- ◆ Login and access retirement account information at www.lasers.net and update address online.
- ◆ Submit updated information via the Contact Us page on the website.
- ◆ Send a letter or Change of Address Form (Form 2AC) to the LSERS mailing address.

CHECK MAILING DATES

Regular monthly benefit checks are mailed on the last working date of the month and DROP/IBRP checks are mailed on the last working date of the month before the 5th of the month.

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