

# CROSSROADS



A Publication of the Louisiana School Employees' Retirement System

DECEMBER 2014

## LSERS investments get 17.16% rate of return



LSERS is extremely pleased to report that it ended the 2013-14 fiscal year on June 30th with a market rate of return of 17.16%, resulting in an increase of \$138.7 million in its actuarial valuation of assets. This equates to an actuarial value of 13.63%, which far exceeds the 7.25% assumed rate of return.

The DROP rate is 13.13% for those in the old DROP program (eligible for DROP or IBRP before 1/1/2004). The system actuary presented LSERS' annual valuation with the recommended

DROP rate to the Public Retirement Systems' Actuarial Committee (PR SAC) on November 19, 2014. PR SAC approved the valuation. The DROP interest will be posted to the members' accounts and reflected on their next quarterly DROP statement.

Additionally, the system's funded ratio rose from 62.1% to 66.9%, which is a substantial increase. These are all positive results, which provide increased fiscal stability of LSERS.



## Supreme Court denies writs, ruling for LSERS upheld

On September 19, 2014 the Supreme Court of the State of Louisiana denied writs requested by 47 school systems in the EBR et al v. LSERS suit which was filed in 2005. This ruling brings the case to a conclusion favorable to LSERS holding that the mechanism through which employer contributions are funded within the Minimum Foundation Program (MFP) is constitutional.

## Changes to direct deposit monthly notifications

To provide the most efficient and fiscally responsible services to our membership, LSERS will be changing the frequency of when direct deposit payment notifications are sent.

Effective January 1, 2015, direct deposit payment notifications will be sent out only when one of the following occurs:

- A direct deposit is setup for the first time.
- There is a change in your net pay related to insurance and

federal tax withholdings or increases from cost-of-living adjustments.

- In December of each calendar year.

Members can view benefit payment information at their convenience 24/7 in the comfort of their home via LSERSWeb. Visit [www.lasers.net](http://www.lasers.net) and login to your retirement account.

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# Board of Trustees election set for 2015

An election is scheduled in 2015 to fill the **Active-Member District 1** seat on LSERS Board of Trustees. The elected member will serve a four-year term beginning January 1, 2016 and ending December 31, 2019.

A member who wishes to qualify as a candidate for the **Active-Member District 1** seat must be actively employed by a school system and must reside in one of the following parishes: Assumption, Iberia, Iberville, Jefferson, Lafayette, Lafourche, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John, St. Martin, St. Mary,

and Terrebonne. A member who resides out of state must be employed in one of these parishes. "Active Member" includes members currently in DROP or working after DROP but does NOT include any retiree who has returned to work under the provisions of La. R.S. 11:1006 or 11:1007. Active members must obtain signatures and membership information from 10 active members of LSERS who reside in District 1.

Members interested in running must **submit a written request for an official Nominating Petition** to Mr.

Charles P. Bujol, LSERS Executive Director, at P. O. Box 44516 in Baton Rouge, Louisiana 70804-4516. The written request can be emailed to [akessler@lsers.net](mailto:akessler@lsers.net) or delivered to the first floor at 8660 United Plaza Boulevard, Baton Rouge, LA 70809-7004.

**Completed and notarized nominating petitions must be received in LSERS' office by 4:30 p.m. on March 2, 2015.** Confirmation of qualification will be mailed to candidates following verification of the nominating petition.

If more than one candidate qualifies, then a ballot and brochure containing the names, profile, and photograph of each candidate, as well as a self-addressed, postage-paid return envelope will be mailed to each voter's home address on May 1, 2015. Ballots must be returned by 4:30 p.m. on June 4, 2015. Results of the election will be announced on June 22, 2015.

Questions regarding these elections should be directed to Alison Kessler at 225.925.6485 or toll-free at 1.800.256.3718.



## Questions about your member statement?

Your annual Member Account Statement for fiscal year ending June 30, 2014 was mailed out in September. Member statements can also be viewed on the secure LSERSWeb portal on [www.lsers.net](http://www.lsers.net). If you have any questions about the information on your statement, use the table at right to determine what to do or who to contact:

Topic	Resolution
Name/Birth Date/Gender/ Marital status correction	Mail letter or send email ( <a href="mailto:webmaster@lsers.net">webmaster@lsers.net</a> ) to LSERS requesting the correction, along with a copy of your new social security card, marriage license, divorce decree and/or birth certificate.
Address correction	Correct online through LSERSWeb or complete a Change of Address Authorization Form 2AC
Beneficiary change	Complete a Named Beneficiary Form 3
Service Credit	Mail letter or send email ( <a href="mailto:webmaster@lsers.net">webmaster@lsers.net</a> ) asking for a review of your service credit. Include all pertinent information on why the estimated service credit appears incorrect.
Salary or contributions	Mail letter or send email ( <a href="mailto:webmaster@lsers.net">webmaster@lsers.net</a> ) asking for a review of your contributions. Include all pertinent information on why the salary or contributions appear incorrect

All forms can be found on [www.lsers.net](http://www.lsers.net). Go to the Resources menu item at the top of the home page, then select Forms. Click on the Forms in Numerical Order link on the Forms web page to locate the form number.

## Watch for your tax forms for LSERS retirement benefits

IRS Federal Form 1099-R will be mailed out by February 2, 2015.

If you have not received your Form 1099-R by February 16, 2015 call us at 225.925.6484 or 1.800.256.3718 if outside the Baton Rouge calling area, or email LSERS at [webmaster@lsers.net](mailto:webmaster@lsers.net). Retirees can print their tax Form 1099-R online for the calendar years 2011 through 2014. Visit [www.lsers.net](http://www.lsers.net) and login to your retirement account, then select “1099-R” from the list above the Member SSN field.

We suggest contacting your tax advisor for any questions regarding the information on your Form 1099-R.

### Reminder:

LSERS retirement benefits are not subject to Louisiana state income taxes for residents filing a Louisiana income tax return.

- Form 1099-R form explanations:
- **Box 1** Gross distribution: Total amount you received for the calendar year 2014 in retirement benefits
- **Box 2** Taxable amount: Taxable amount to be reported for Federal income tax purposes
- **Box 4** Federal income taxes withheld: Federal income taxes withheld from your payments in 2014.
- **Box 5** Employee contributions: **Tax-free** portion of retirement benefits you received during the calendar year. This is NOT the amount of your insurance premium. It represents *unsheltered contributions withheld* from your salary before July 1, 1994 that had already been taxed. This amount is the difference between the *Gross* distribution in Box 1 and the *Taxable* amount in Box 2a. If you have no amount in Box 5, your entire benefit is taxable.

Disability retirees will not have tax-free benefits reflected in Box 5 until they reach their normal retirement eligibility age.

## LSERS retirement 3 benefits impact Social Security

Did you know your Social Security benefit may be reduced if you receive a retirement benefit from LSERS? The formula used to calculate reductions to your Social Security benefit is determined by the type of Social Security benefit you receive.

There are two types of Social Security benefits:

- An **earned benefit** is paid to individuals who held jobs where they paid Social Security taxes long enough to earn a Social Security benefit.
- A **spouse's or widow(er)'s benefit** is paid to the spouse or surviving spouse of a Social Security pensioner if the spouse did not work long enough under Social Security to have earned their own benefit or their earned benefit is less than the pensioner's benefit.



The Windfall Elimination Provision (WEP) is the reduction formula used for an earned benefit and the Government Pension Offset (GPO) is used for a spouse's or widow(er)'s benefit. The Social Security Administration will use your first eligible date of retirement to determine if your Social Security benefit will be subject to reduction. Your first eligible date of retirement is the date you could have received a monthly benefit from LSERS. This is the date you earned the minimum amount of service credit necessary to receive a monthly benefit once you met the necessary age requirement.

To learn more about how your Social Security benefit will be impacted by your LSERS benefit, refer to our *Social Security and You* Fact Sheet or visit Social Security's website at

[www.ssa.gov](http://www.ssa.gov).

## 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.

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

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**Betty Crain, Vice Chair**

*Retiree Representative, 985.735.5359*

**Philip B. Walther, Vice Chair Pro Tem**

*1st Retirement District, 504.443.4005*

**Eugene Rester, Jr.**

*2nd Retirement District, 985.516.0369*

**Judith McKee**

*3rd Retirement District, 318.649.7696*

**Kathy Landry**

*4th Retirement District, 337.477.6161*

**Ex Officio Members:**

**Tom Schedler**

*Secretary of State, 225.922.2880*

**John Kennedy**

*State Treasurer, 225.342.0010*

**Elbert L. Guillory**

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225.342.0656*

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*President, LA School Bus Operators Association  
318.649.6521*

**Kristy H. Nichols**

*Commissioner of Administration  
225.342.7000*

**ADMINISTRATION**

**Charles P. Bujol**

*LSERS Executive Director*

**Carolyn N. Forbes**

*LSERS Assistant Director*

**Alison Kessler**

*Executive Staff Officer*

**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: 8:00 a.m. to 4:30 p.m., Monday-Friday**

**Visit LSERS' website at: [www.lasers.net](http://www.lasers.net)**

### Board Meeting Schedule

**Upcoming meetings are on January 5, February 9 & 10, and March 16.**

**For a complete listing of all board meeting dates and times,  
visit our website at: [www.lasers.net](http://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](http://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 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 before the 5th of the month.

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