



# Crossroads

A publication of the Louisiana School Employees' Retirement System Vol. 18 No. 3 SPECIAL 2005

## Hurricanes Katrina and Rita Effects on LSERS

LSERS, like most state agencies, was impacted by the effects of Hurricanes Katrina on August 28 and Rita on September 23-24. Many southern parishes suffered devastating damage to personal homes and businesses. Many of our members have been displaced to friends' and relatives' homes, shelters, other cities, or in some cases other states. Some may have even lost loved ones to this terrible storm. The Board of Trustees and staff extend our prayers and thoughts to all of you.

We want to assure you, that your benefits are intact and will continue to flow out to those who need them now. There have been some disruptions to the

normal flow of benefits to members due to the inaccessibility of closed or damaged post offices, banks, and savings and loan offices in the affected areas. LSERS immediately responded to the crisis by identifying parishes such as Orleans, Jefferson, St. Bernard, Plaquemines, Lafourche, Washington, St. Tammany, Tangipahoa, Cameron, Vermilion, Calcasieu, Terrebonne, Acadia, Evangeline, St. Mary, Iberia, Jefferson Davis, Lafayette, Beauregard, Vernon, Allen, St. Martin, and St. Landry. Manual checks were held prior to mailing for Katrina-impacted zip codes since many of the postal operations were shut down or without electricity to operate. Once

they reopened, we forwarded member checks. If electronic checks were sent to banks or savings and loan institutions that were closed, we were successful in many cases in reversing the process and forwarding checks to new locations, when a member provided the new bank information from an unaffected area to us.

We are in daily contact with the postal service to determine when new zip code areas are reactivated for delivery service, and are working for the members' needs through these terrible events.

This newsletter is dedicated to provide our members with much-needed information to help you recover.

## What Are Your Choices After Hurricanes Katrina and Rita?

### Refunding Contributions

If your job has been lost due to Hurricane Katrina or Rita, you may apply for a refund of the contributions you have paid to LSERS. If your school board is currently closed, but plans to reopen, and you plan to continue your employment with the school board, we strongly discourage the withdrawal of your retirement funds; however if you know that you will not be returning to employment with your school board or any other school board or public agency in the state, then you may want to consider a refund of your contributions. There is a 90-day

waiting period before you can receive your funds. The 90 days begins from your last day of work or termination date. Your employer must also certify your termination or resignation date, before you can receive your funds. You can apply for your refund by mailing the Refund Application, Form 7, to the address shown in this newsletter. You can call our office for a Form 7 or you can go to our website and download the form.

### Remaining Vested

If you have at least 10 years of service credit in LSERS, you have the option of leaving your money in the system and start receiving a monthly retirement benefit at age 60. You should contact LSERS so that we can provide you with an estimate of the amount you would receive at age 60, and notify you of the procedures to "vest" your retirement.

*(see Choices on page 2)*

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## LSERS Looking for Displaced Members

A large portion of the LSERS membership has been displaced due to Hurricanes Katrina and Rita. Many of you have given us your new temporary mailing address. We need to know the mailing address of all of our members so we may communicate important retirement information to all of you. If you, or anyone you know, have moved due to Hurricanes Katrina and Rita and have not yet given us a change of address, please do so right away. You may do this by filling out the card in this newsletter, by calling us if you are an active member, or by faxing a letter to us if you are a retired member. ~

## Walking Through the Retirement Process

All Orleans Parish employees who are applying for retirement should contact LSERS for instructions. **Employees of St. Bernard Parish should contact Paul Grandberry at 225-342-0180**, all other parishes should contact their employer.

### Eligibility Requirements

#### Regular Service Retirement:

- Age 60 with 10 or more years
- Age 55 or more with 25 or more years of service

- Any age with 30 or more years

#### Early Retirement:

- Any age with 20 or more years of service

Under Early Retirement the benefit is actuarially reduced, based on your age and the number of years you are from regular service retirement.

If there is a possibility that you might return to work for an employing agency of LSERS, retirement might not be the best option for you.

### Current DROP Status

If you are a DROP participant, DROP deposits will continue to be made to your DROP account during the DROP participation period provided your employment has not been terminated. ~

## Facts You Should Know Before Retiring

### Returning to Work

With Early Retirement you are not eligible for re-employment in any position covered by this system for a period of five years. After the five-year period, you will be governed by the Regular Service Retirement return to work guidelines.

If you retire under regular service retirement or retire after DROP, full-time employment for a LSERS employing agency is prohibited. You can become employed on a part-time or substitute basis; but your earnings in any fiscal year are limited to 50% of your highest 36-month average compensation calculated at the time of retirement. If your earnings should exceed the amount allowed, your retirement benefit will be suspended for the remainder of the fiscal year.

### Unemployment

Employees who are receiving a

retirement benefit are not eligible to receive unemployment benefits.

### IRS Withdrawal Penalties and Taxes

We are required to withhold 20% of your refund for federal income taxes if you are an active member of LSERS and receive a refund of your contributions. If you choose a method to withdraw all of your DROP or IBRP funds in less than 10 years we are also required to withhold 20% of your DROP or IBRP funds for income taxes. The 20% amount is for withholding; it is not a penalty. If you withdraw your funds before age 59 ½, there is a 10 ½ % penalty that you must also pay when you file your federal income tax return. Congress is considering a bill to waive the 10 ½ % penalty for Katrina victims. At the time this newsletter went to press a final bill had not been passed. If a bill is passed, we will post this information on our website.

### Insurance Coverage

Ask your employer about health benefits upon retirement compared with quitting a job or being laid off a job. If you are laid off you can continue your health insurance with COBRA for up to 18 months, but you pay the full premium. ~

*(continued from page 1)*

## Choices...

### Working in Another Parish

If you have been hired as a temporary, part-time, or substitute employee in another school system, you can continue contributing to LSERS on the temporary, part-time or substitute earnings, if you have at least 10 years of service in LSERS. Please have your new employer contact LSERS to verify whether or not you have 10 years of service and are eligible to continue as an active member of LSERS.

### Choosing Retirement

See adjacent article for details. ~

## Find the Assistance You Need

Several avenues for assistance are now available to those impacted by Hurricanes Katrina and Rita.

You may need to contact your parish school board regarding your employment, the date for reopening your school, or a paycheck. Each parish school board impacted by Katrina and Rita has links on the home page at [www.louisianaschools.net](http://www.louisianaschools.net). Contact numbers or e-mail addresses are found within the various school board web sites. A hotline number for Orleans Parish SB is 1-877-771-5800. A phone number for Jefferson Parish SB is (504) 349-7878. A phone number for St. Tammany Parish SB is (985)892-2276.

From the [www.louisianaschools.net](http://www.louisianaschools.net) web site, by clicking on the link "Displaced Louisiana Teachers," you will find two links with job information listed. The "School Personnel Employment and Information Center" link contains a Louisiana job registry for teachers and school employees. The "Out-of-State Positions" link has a list of job openings in other states.

A great resource proving helpful to those impacted by Katrina and Rita is found at [www.katrina.louisiana.gov](http://www.katrina.louisiana.gov).

Disaster assistance is provided by FEMA available at 1-800-621-FEMA (3362) or [www.fema.gov](http://www.fema.gov) on the Internet. The Red Cross is providing financial assistance at 1-800-975-7585; a registry for missing persons at 1-877-568-3317 (LOVED 1S); and food, clothing, shelter, transportation, and medical care at 1-866-438-4636 (GET INFO) and 1-800-435-7669 (HELP NOW).

A good Louisiana resource list including DSS, DHH, DMV, and DOL is found on the Internet at <http://www.dss.state.la.us/Documents/DSS/Hurricaneresourcelis.pdf>.

Numerous religious organizations are also providing food, clothing, and shelter for Katrina victims.

If you need to find the status of repopulation of your parish go to the wwl web site at [wwwl.com](http://wwwl.com) for current information.

## Board Member Elections Postponed

LSERS had begun the Fall Board of Trustees' election season when Hurricanes Katrina and Rita hit Southern Louisiana. Both the Statewide Retiree Trustee election and the Active District 4 Trustee election, which covers the Southwest and central portions of Louisiana were postponed because so many retirees and active district 4 members were displaced from their homes. These elections will be rescheduled when the board meets in October.

If you are a retiree or an active member living in the impacted areas and have relocated to a new address, please contact LSERS with your new mailing address. This will ease our ability to mail election information to you.

## Current LSERS Information Available on Web

This special edition of the LSERS *Crossroads* is current as of the date it went to press. For regular updates regarding LSERS information, go to our web site at [www.lservers.state.la.us](http://www.lservers.state.la.us). We have a Hurricane Katrina and Rita link on the home page that leads to all important information on LSERS resulting from this hurricane. Check this link frequently to stay informed!

**Visit LSERS' Web Site for Our Katrina and Rita Updates!**  
[www.lservers.state.la.us](http://www.lservers.state.la.us)

### 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)

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Newsletter Editor

# Electronic Direct Deposit Now Available

Electronic direct deposit (EDD) of retirement funds is available to all retirees. With EDD your retirement benefits are wired into your checking or savings account on the first of each month (or the first working day if the first of the month is on a weekend or holiday).

Those on EDD in the Katrina and Rita-impacted areas did not experience the longer delays in getting their retirement benefits as those who got paper checks.

Although EDD is not mandatory for members of the Louisiana School Employees' Retirement System, it is highly recommended since it has numerous advantages. A few of these advantages are:

- 1** You would not have to wait to receive your check in the mail.
- 2** Your check will not be misplaced, lost or stolen so you

will not have to wait for a replacement check to be issued.

**3** You avoid overdraft and NSF charges from late or forgotten deposits.

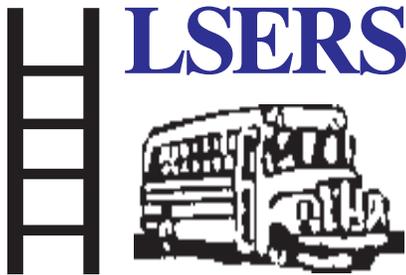
**4** You don't have to go to the bank or credit union to deposit your check.

**5** Your deposit will be made even if you are at a temporary location or away on vacation.

**6** Deposits to a savings or interest-bearing account will be credited and eligible to earn interest on the first day of each month.

**7** Funds are available through automatic teller machines (ATMs) at most banks and credit unions.

If you are interested in EDD, contact our office at (225) 925-6484 or outside of the Baton Rouge area at 1-800-256-3718 or fill out Form 8 on our web site and mail or fax it to us. ~



## Crossroads

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**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.lasers.state.la.us](http://www.lasers.state.la.us)

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