



# Crossroads

A publication of the Louisiana School Employees' Retirement System Vol. 14 No.1 SPRING 2003

## LSERS Proposes Several Pieces of Legislation in Spring 2003 Session

LSERS will propose six pieces of legislation in the Spring, 2003 session. These bills range from purchase of credit to re-enrollment after DROP. An explanation of these bills follows:

### **HB 1677; Recomputation of Benefits -**

This proposed legislation would authorize the recomputation of benefits for those persons who were participating in DROP or who had completed their DROP participation but had not terminated employment on June 30, 2001. Their retirement benefit would be recomputed using the 3 1/3 percent formula for all years of service, subject to the 100 percent of 36-month average compensation limitation; however, the amounts deposited to their DROP account would not be recomputed. **Member contributions will increase by 1/2 percent if this bill passes.**

### **HB 753; Reemployment of Retirees -**

This legislation would authorize the employment of service retirees (not disabilities) of the system by employing agencies of the retirement system. If the retiree was employed within twelve months of the date of retirement, the retirement benefit would be suspended for the period after retirement up to one full year. One year after retirement, the benefit would resume. During the period of employment, both employee and employer contributions would be made to the system; however, no additional service credit or additional retirement benefits would be accrued. Upon termination of employment, the employee contributions would be refunded to the employee without interest.

### **HB 904 and SB 602; Purchase of Out of State Service Credit -**

This proposed bill would authorize the purchase of service credit as an "employee," as this term is defined in this system, for service in a private or public school in state or out of state, by payment of the actuarial cost to this system, provided no service credit for this time period was held in any other retirement system. The system in which the service is claimed must certify the dates of employment and that the former member no longer maintains credit in the system.

### **HB 905 and SB 603; Purchase of Service as a Substitute Employee -**

Our system permits active contributing members to purchase service credit at the actuarial cost for service performed as a substitute bus driver. This legislation would authorize members to purchase any service performed as a substitute employee by paying the actuarial cost of the credit purchased.

### **HB 758; Restricts Re-enrollment by DROP Participant -**

This proposed legislation would require a DROP participant to re-enroll in LSERS after DROP participation ends only if the member is continuing employment for more than 30 days.

### **HB 580; Restrict Conversion of Sick and Annual Leave -**

This legislation would

provide that in order to convert unused sick and unused annual leave to retirement credit for use in calculation of retirement benefits, the amount converted must equal at least ten percent of a year.

Several other bills have been proposed in the Spring 2003 Louisiana Legislative Session that could impact LSERS, although they are not being proposed by LSERS. These bills include the following:

### **HB 642; (Constitutional Amendment) Would authorize establishment of a retirement system for educational system employees with other public employees.**

Would require amortization of unfunded liabilities in accordance with standards of the Governmental Accounting Standards Board or any successor entity.

### **HB 1588; Would create the Louisiana Board of Pension Administration and the Public Employees Retirement System of Louisiana.**

Persons employed in public service on or after January 1, 2004 would become members of this defined contribution plan. The plan would be administered by a Board.

### **HB 1684; Reestablishes the Commission on Public Retirement whose purpose is to study and make recommendations with respect to improving public retirement systems in Louisiana.**



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## Employer and Employee Contribution Rates for Fiscal Year 2003 – 2004

The Public Retirement Systems' Actuarial Committee has recommended that the employer contribution rate for the Louisiana School Employees' Retirement System be set at 11.20% of payroll for the fiscal year July 1, 2003 through June 30, 2004. Under the provisions of LA R. S. 11:102(B)(2)(b)(ii), employer contributions may be funded in whole or part from the Employer Credit Account. There will not be enough funds remaining in the Employer Credit Account to pay the total employer contributions for the 2003-2004 fiscal year. Based on our actuary's calculations, the balance remaining in the Employer Credit Account, after the charge to the account for the 2002-03 employer contributions, will fund an employer contribution rate in the amount of 2.7% of estimated salaries for 2003-04.

Therefore, employers must remit an employer contribution rate of 8.5% to LSERS for the 2003-04 fiscal year. This rate represents the difference between the 2003-04 recommended rate of 11.2% and the 2.7% rate that will be charged to the employer credit account. The member contribution rate for 2003-2004 will remain at 7.50%, unless the bill to recompute benefits for members who joined the DROP program before July, 2001 passes in the 2003 Regular Legislative Session. If this bill passes, the member contribution rate will be 8.00%.

## Documents Needed for Retirement

Everyone looks forward to the day of retirement. We ask you to help us make your retirement process go smoothly by providing a complete retirement application packet. When processing retirement applications, including DROP applications, LSERS must have several documents other than the normal LSERS forms in order to complete the administrative procedures. Those documents include:

- Certified copy of birth certificate for member and all beneficiaries.
- Copies of Social Security card for member and all beneficiaries.
- Judgment of divorce if applicable.
- Copy of spouse's death certificate if member is widowed.

## Group Benefits Has Enrollment Period

The Office of Group Benefits (OGB) is currently holding the annual open enrollment period. **You must return your Scantron form to your personnel office or to the Office of Group Benefits or you will be automatically defaulted to the PPO option.** Enrollment meetings are being held throughout the state in April.

Plan options for this year include a continuation of the PPO, EPO, and HMO. The Managed Care Option (MCO) is an additional option offered. The MCO is lower-cost than the other options and includes a few limitations. Call OGB at 1-800-272-8451 for more information.

## Jacobs and Crain Sworn in to LSERS Board of Trustees

Two incumbents held their seats on the LSERS' Board of Trustees in November, 2002. The District Two Active Board Member is Betty Jacobs. The Retiree Representative Board Member is Betty Crain. These are both four-year terms, which begin on January 1, 2003 and end December 31, 2006.

Jacobs is from Baton Rouge, has been a school bus driver for 30 years and an attendant for two years, and has served on the LSERS Board of Trustees for 24 years.

Crain is from Bogalusa, has been a school bus driver for 33 years, and has served on the LSERS Board of Trustees for two years.

Jacobs and Crain are active and concerned board members who are

always watching out for the best interest of the members and retirees. Both Jacobs and Crain are glad to have the opportunity to continue to serve LSERS' members and retirees in this capacity. They welcome calls regarding any issue related to the retirement system. All board members' phone numbers are found on the back of this issue.



Betty Jacobs (left) and Betty Crain (right) were sworn in as LSERS' Board of Trustees members at the February, 2003 board meeting.

# Get New Retirement Planner if You Are Within Five Years of Retirement

We are currently developing a new "Retirement Planner," which will replace the *LSERS Membership Handbook* published in 1999. The "Retirement Planner" will include a number of fliers on various subjects related to retirement as well as a Benefit Calculator, which will give an estimate on what your monthly benefit will be upon retirement based on your income and number of years you have been a member of this system.

Topics included are common questions, Regular Retirement, the Initial Benefit Retirement Plan, Deferred Retirement Option Plan, Early Retirement, Disability Retirement, benefit options, refunds, unused leave, survivor benefits, Social Security information, and a current financial analysis.

If you are **within five years of retirement**, please call Judy Wright to request a packet. The packets should be ready in May.

# District 1 Trustee Election Held this Fall

An election for the LSERS Board of Trustees Active Member District 1 seat will be held this Fall. This is a four-year term, which begins January 1, 2004 and ends December 31, 2007. The Active Member District 1 seat is currently held by Boyd Zeke Zitzmann, whose term ends December 31, 2003.

## To qualify for the First Retirement District, you must:

1. Reside in the First Retirement District which consists of the following parishes: Assumption, Jefferson, LaFourche, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John, and Terrebonne.
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 First 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 p.m., June 13, 2003. 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 1, 2003 to all active members residing in the First Retirement District along with a postage-paid, self-addressed envelope for return of the ballot. The deadline for returning the ballot is November 3, 2003. Official counting of the ballots will be held before the opening of the November 24, 2003 regular board meeting.

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

## 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.

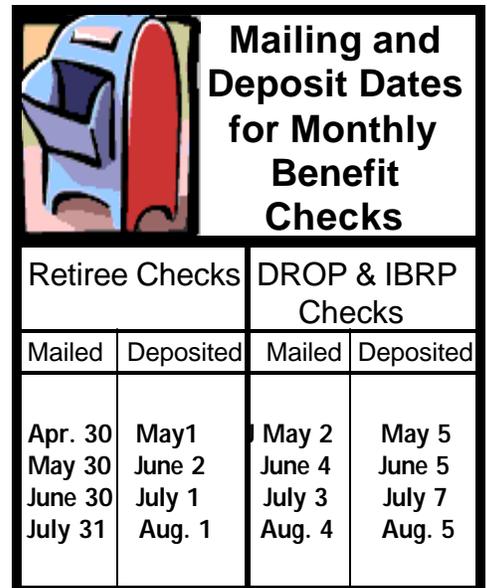
Name \_\_\_\_\_

Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Membership status: (check one) Active \_\_\_\_\_ Retired \_\_\_\_\_

Signature \_\_\_\_\_ Soc. Sec. # \_\_\_\_\_  
(required)



**Mailing and Deposit Dates for Monthly Benefit Checks**

Retiree Checks		DROP & IBRP Checks	
Mailed	Deposited	Mailed	Deposited
Apr. 30	May 1	May 2	May 5
May 30	June 2	June 4	June 5
June 30	July 1	July 3	July 7
July 31	Aug. 1	Aug. 4	Aug. 5

**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

**Boyd Zeke Zitzmann**  
1st Retirement District, 504-682-3512

**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, 318-964-2869

**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 Cospser**

LSERS Director

**Debra Dudley**

LSERS Assistant Director

**Judy Wright**

LSERS Public Information Director and  
Newsletter Editor

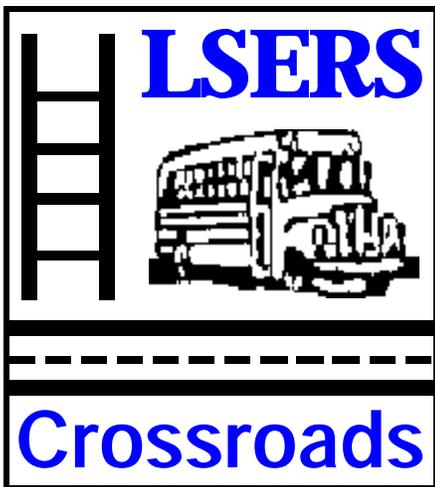
## When Are Your Electronic Direct Deposits Available to You?

If you are not having your retirement payment deposited to your bank account via electronic direct deposit (EDD) yet, you are missing out on a great little time-saver in your busy life! Wouldn't you rather be enjoying the company of friends and loved ones than waiting in line to deposit your check? Wouldn't you rather be relaxing on an extended vacation in one of your favorite get-away spots than waiting for your check in the mail box? What about not worrying if your check might get lost in the mail when you are living on a fixed income and cannot afford to have your monthly pay arrive late? We all have so many more enjoyable things to do with our retirement than to be spending time with paper checks

these days!

With the beginning of the 21st Century, just about everything is done electronically, including money transfers. If you are not yet taking advantage of LSERS' EDD system, it's time that you do!

Retiree deposits are made the first business day of each month. DROP and IBRP deposits are made on the fifth business day of each month. If the first or fifth of the month is on a holiday, the deposit will be made on the following business day. The deposit is never made on a weekend day or a holiday. Just call us to sign up. You'll be glad you did!



**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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