



Crossroads

A publication of the Louisiana School Employees' Retirement System Vol.12 No.2 SUMMER 2001

Legislature Grants LSERS Board Additional Retiree Representative

The Louisiana School Employees Retirement System (LSERS) was successful in its efforts to have the 2001 Louisiana Legislature approve an additional retiree representative to the board of trustees. **Act 264** adds this additional retiree to the board of trustees and provides for staggered terms of the two retiree members. Previously, the board of trustees consisted of 10 members: four active members, one retired member, and five ex-officio members. The number of retirees in LSERS had grown, and at a much faster rate than that of the active members. Due to this increasing number of retirees, the board of trustees believed those retirees would be better served with two retiree representatives on the board of trustees. Now the LSERS Board of Trustees consists of 11 members.

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LSERS Has Success in 2001 Legislative Session

LSERS experienced complete success in the 2001 Regular Legislative Session. Five bills were proposed and came through the Session basically unchanged. LSERS members will see, as a result of those changes, an increase in the annual accrual rate on their years of service worked, an additional retiree seat to the board of trustees, a clarification on reemployment limitations, a name change on one of the retirement plans, and a clarification on disability retirement.

Those acts, along with an explanation, are as follows:

1. **Act 897** increases the accrual rate for computation of benefits. This change provides that all years of service earned on or after July 1, 2001 will accrue at 3 1/3% for each year. This change is also retroactive for all prior service credit earned by employees who were LSERS members on or before July 1, 2001. This act increases the accrual rate used for calculating benefits for all members retiring on or after July 1, 2001.

For most members this act will increase the retirement benefits; however, if you have enough years already to give you 100% of your

average salary, this act will not increase your benefit.

For members who are currently participating in DROP, your DROP benefit will not be recalculated; however, the years you contribute to LSERS after your DROP participation has ended will be calculated using the new accrual rate.

This act also increases the retirement contribution rate for all members from 6.35% to 7.5%. This change is effective on July 1, 2001.

2. **Act 264** adds an additional retiree to the Board of Trustees of the retirement system, providing for staggered terms of the retiree members. The Board of Trustees will adopt rules and regulations on the terms of office and election process.

3. **Act 266** renames the Initial Benefit Option (Option 5) as the Initial Benefit Retirement Plan (IBRP). This clarifies this as a separate plan rather than a benefit option under a plan. IBRP is only available to those members who meet eligibility for the Deferred Retirement Option Plan.

4. **Act 307** clarifies eligibility for disability retirement. This act clarifies

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Active Member from Fourth District Sought

An election will be held for a member of the LSERS Board of Trustees to represent the Fourth Retirement District. This is a four-year term, which begins January 1, 2002 and ends December 31, 2005. The seat is currently held by Ms. Sylvia Myers. Her term ends December 31, 2001.

Two people have qualified for this trustee seat. Ms. Sylvia Myers, who is the incumbent, and Mr. Ronald Babineaux of New Iberia.

Ballots for this election will be mailed to all active members who reside in the Fourth Retirement District on September 14, 2001. The deadline for those ballots to be returned is October 16, 2001. The ballots will be counted on November 19, 2001 at the regular LSERS Board of Trustees meeting.

The term for this seat is four years. All active members who reside in the Fourth Retirement District should look for their ballot in the mail the third week of September.

Medicare Name Change

The Health Care Financing Administration, which oversees Medicare and Medicaid, was renamed Centers for Medicare and Medicaid Services. This is an effort to repair its image to one of being service focused. Its toll-free number is 1-800-633-4227. Information concerning Medicare may also be found on the Web at www.medicare.gov.

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Legislature Grants LSERS Board Additional Retiree Representative

This is a four-year term, which begins January 1, 2002 and ends December 31, 2005. To qualify for this seat, you must:

1. Be a service retiree.
2. Submit a written request for an official Nominating Petition to Mr. Patrick Coper, 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 retired members of the Louisiana School Employees' Retirement System. 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., August 31, 2001. 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.

If more than one person qualifies for this election, a ballot containing the names of all qualified candidates will be mailed on October 9, 2001 to all retired members along with a postage-paid, self-addressed envelope for return of the ballot. The deadline for returning the ballot is November 9, 2001. Official counting of the ballots

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will be held before the opening of the November 19, 2001 regular board meeting.

If you have any questions regarding this election, please contact Judy Wright at 1-800-256-3718.

New Board Member Elected for Retiree Slot

Betty Crain has been elected to represent LSERS members on the Board of Trustees as the Retiree Representative, thereby filling the vacancy left by the death of John Howard Broussard. Crain was sworn in to her post after the official counting of the ballots on May 14, 2001 at a board meeting.

Crain was a bus driver for 33 years, was the President of the City of Bogalusa/Washington Parish School Bus Operators Association for 14 years, was the Vice President of the same organization for 12 years, and has served the community in numerous positions of leadership held in community and religious organizations.

Join us in welcoming Crain to the LSERS Board of Trustees.



Betty Crain was sworn in by LSERS Attorney Randy Roche.

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LSERS Has Success in 2001 Session

that a member may not use credit for periods while earning workers' compensation, while on extended leave, special leave, or advanced leave in order to meet the five-year eligibility requirement for disability retirement.

5. **Act 265** clarifies reemployment limitations under twenty-year retirement. A person retiring under the twenty-year early retirement provisions may not be reemployed by the agency from which the person retired, any public school system, or any special education district for a period of five years from the date of retirement.

Direct Deposit Is Now an Option

Did you know there's another way to receive your check, rather than waiting for delivery from the US post office? You can have your check electronically deposited to your checking or savings account each month. Twenty-five percent of our retirees receive their check through electronic funds transfer (EFT). With EFT, your check is never lost in the mail or stolen from your mailbox. You have access to your money on the first business day of every month. You prevent a trip to the bank. We even send you a stub that lets you know how much was deposited to your account. Why not try EFT? You have nothing to lose! If you don't like EFT, you can cancel at any time! Please call or write our office for an easy to complete application to get you started!

Job Changes

If you leave your current job, and take a job covered by either the Teachers' Retirement System or the State Employees' Retirement System, you have the option of remaining in LSERS, if you have at least five years of credit in LSERS. If you decide to remain in LSERS, you must notify your new employer of your intent to remain in LSERS. You must also notify us in writing of your intent to remain in LSERS within 30 days of starting the new job.

When Do You Plan to Retire?

It is your responsibility to make sure you have the required number of years to retire before you select your retirement date and actually retire from your job. Any member considering retirement should send a letter to the retirement system at least one year prior to retirement requesting verification of the years of service in the retirement system. If there are any questions regarding your service, this gives the retirement system time to clear up any discrepancies. Based on this information we can let you know how much longer you need to work until you are eligible for retirement.

Employers, Please Update Your E-mail Address with Us at jwright@lsers.state.la.us

Employees and Retirees, Please Let Us Know if You Have an Address Change!

Employee Contribution Rates for Fiscal Year 2001 - 2002 Increase; Employer Rates Unchanged

Act 897 of the 2001 Louisiana Legislative Session has been passed and became effective on July 1, 2001. This act raised the LSERS member contribution rate for the 2001 - 2002 fiscal year from 6.35% to 7.5%. The employer contribution rate remains at 6.0% of payroll for the fiscal year July 1, 2001 through June 30, 2002.

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 are sufficient funds in the Employer Credit Account that will be used to pay the 2001 - 2002 employer contributions.

Therefore, employers shall NOT remit employer contributions to LSERS for the 2001 - 2002 fiscal year. Employers must remit member contributions for the 2001 - 2002 fiscal year at the increased rate of 7.5%.



Mailing Dates for Monthly Benefit Checks

Retirement Checks for:
August
September
October
November

Will be Mailed on:
July 31
August 31
September 28
October 31

LSERS
BOARD OF TRUSTEES

Joe Seymour
Chairman

3rd Retirement District, 318-728-2729

Boyd Zeke Zitzmann
Vice Chairman

1st Retirement District, 504-682-3512

Betty Crain

Retiree Representative, 985-735-5359

Betty Jacobs

2nd Retirement District, 225-925-5667

Sylvia Myers

4th Retirement District, 337-478-7162

Ex Officio Members

Larry Wilmer

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 Cospér

Director

Debra Dudley

Assistant Director

Judy Wright

Public Information Director/Newsletter
Editor

State Employees Group Benefits Program Changes

Facing financial challenges, the State Employees Group Benefits Program (SEGBP) has been forced to make changes in benefit costs. One change impacts the amount of state subsidy on insurance coverage for retirees and the other impacts the cost of prescription drugs under the program. These changes begin July 1, 2001.

The State's subsidy of a retiree's insurance premium is now based on the number of years the individual has participated in the SEGBP. Now, those with five to nine years of participation would have 17.5% of the premium paid by the State. Those with 10 to 14 years of participation would have 35% of the premium paid by the State. Those with 15 to 19 years of participation would receive 52.5% of their premium paid by the State. And those with 20 or more years of participation would receive the full 75% of their premium paid by the State.

In order to qualify for these reduced SEGBP premium rates, the retiree

must have Medicare Parts A and B. Current plan members will not be affected by this change, since a grandfather clause will protect them from these changes. If you want to be included in the grandfather clause, you must enroll in SEGBP by November 14, 2001.

Also, the cost for prescription drugs has increased if you are insured with an EPO, PPO, or AmCare under SEGBP. Now there is a \$1,000 out-of-pocket expense per year for prescriptions that is paid by the individual by way of paying 50% of the cost of each prescription up to a maximum of \$40 per prescription. Once the \$1,000 out-of-pocket is met, brand-name drugs may be purchased for \$15 co-payment and generic drugs may be obtained at no cost to the individual. Vantage and Ochsner's did not change their prescription costs.

Contact SEGBP for more information on these changes at 1-800-272-8451. Do not call LSERS on these changes.

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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

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