

~From the President~

Good News!



Connie Carlton

For the second consecutive year, retirees received a cost of living increase (COLA).

This year's COLA was 3 percent, made possible by excellent investment returns and legislation by Representative Pete Schneider and Senator Gerald Theunissen. Our retiree members and RSEA's leadership sincerely thank both legislators, and appreciate the hard work by RSEA Executive Director Darlene Richard and Cindy Rougeou, LASERS' Executive Director.

This session, a great deal of effort went to defeating the passage of HB 845. It provided special retirement benefits to a select group of individuals, at no cost to them. Other Dept. of Public Safety and Corrections staff eligible for a similar benefit were required to pay thousands of dollars out of their own pockets-while HB 845 allowed Adult Probation and Parole Officers to upgrade their benefit for free. In addition to the equity issue, we expected this to cost LASERS millions of dollars. Sincere thanks to Governor Blanco for her veto.

This year is a very important election year for LASERS' Board of Trustees, since there are two retiree positions up for election. Incumbents for the positions are myself and Barbara McCann.

Ballot packets will go out in the mail no later than Sept. 28. The percentage of retirees voting in past elections has far exceeded the level of active employee participation. **It is crucial that you vote!**

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The New Louisiana Voice

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Final 2007 Legislative Update

The Louisiana State Legislature overwhelmingly approved a 3% cost-of-living adjustment (COLA) for eligible retirees of the Louisiana State Employees' Retirement System (LASERS). The two bills that were approved are: HCR 7, by Representative Pete Schneider, which provided for a 2.5% COLA and SB 116 (Act 67), by Senator Gerald Theunissen, which provided .5%. The COLA benefitted more than 32,000 retirees and was effective July 1, 2007.

Eligibility for the COLA was based upon the following criteria:

- 1) All retirees who have attained the age of 55 and who have received a benefit for at least one year;
- 2) All non-retiree beneficiaries if benefits have been paid to retirees or the beneficiaries, or both combined for at least one year and in no event before the retirees would have attained the age of 55;
- 3) All disability retirees, or benefits based on a disability retiree's death.

The percentage of each recipient's COLA was based on the first \$82,059 of the annual benefit, and increases in the consumer price index for previous years.

RSEA extends its sincere appreciation to Representative Schneider and Senator Theunissen for authoring the legislative bills for the COLA.

In addition to the COLA bills, RSEA monitored twenty-one other bills that were related to retirement and/or Group Benefits. Below a few key bills are listed.

A complete list of legislative bills monitored by RSEA can be found on the RSEA website, www.rseala.org, or you may contact our office at 1-800-256-1818 or in the Baton Rouge area, 344-5448.

HB 845 by Representative Durand (Passed by the Legislature; Vetoed by Governor) (RSEA opposed this bill and requested the Governor to veto it)

This bill provided a select group of individuals, about 450 probation and parole officers, to receive higher retirement benefits for past and future service that they did not pay for. Currently, corrections officers, including probation and parole officers, may choose between two retirement plans.

The Primary Plan allows its members to retire at an earlier age, but with a slightly reduced benefit. The Secondary Plan allows members to receive a higher benefit in exchange for retiring at a later date. Any hazardous duty officer can upgrade their service under the Primary Plan to the Secondary Plan, but at their own cost.

Many officers had chosen to do so and paid tens of thousands of dollars out of their own pocket. HB 845 would have given this upgrade to probation and parole officers for free, which was extremely unfair. HB 845 proposed a fee to be charged to people on probation and parole. However; the \$65 fee was inadequate to cover the costs. Both the legislative actuary and LASERS' actuary

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Tips to Get Senior Citizens to Exercise

(Editor's Note: Second/final of two articles.)

Here are the "Ten Get-Out-of-Bed Exercise Tips to Longer Living." (Be sure to check with your doctor first.)

1. Try; just showing up is half the battle.
2. Have an exercise buddy.
3. Start slow. It's the effort that counts.
4. Give yourself physical activity "homework assignments," and look for ways to build physical activity into your daily routine.
5. Think of exercise sessions "appointments" that you must keep.
6. When you can't keep your "appointment," don't be too hard on yourself.
7. Keep a record of what you do and your progress. It is fun to chart victories.
8. If you stop exercising for several weeks and then return, start out at about half the effort you were putting into it when you stopped.
9. Wear supportive, comfortable shoes designed for exercising.
10. Build a routine around stretching, walking and strength training.

"Muscle strength declines by 15 percent per decade after age 50," Dr. Smith, medical director of the L.A. Jewish Home for the Aging, noted, "30 percent per decade after age 70. However, resistance training can result in 25 to 100 percent, or more, strength gains in older adults."

Dr. Smith points out that exercise also addresses another key issue with seniors: it reduces the risk of depression and lessens the severity of depressive symptoms.

"Some believe that often moderate regular exercise may be just as helpful to combat serious depression in older people as antidepressant medication," he concluded.

(Source: <http://www.seniorjournal.com/NEWS/Fitness/2007/7-02-12-TenIdeas.htm>)

2007 Legislative Update

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testified that a fee of \$105 was needed. Therefore, the inadequate fee would have resulted in adding millions of dollars of debt to the retirement system.

SB 48 by Senator Boasso (failed to pass) (RSEA supported this bill)

This bill would have created a Public Retirement Trust Fund with two subfunds: the Unfunded Accrued Liability Payment (UAL) and the Supplemental Cost-of-Living Adjustment (COLA). The UAL subfund would have provided that 25% of any surplus for a previous fiscal year be used to pay toward the state retirement system debt. The COLA subfund would have provided that 3% of any increase in revenue for a fiscal year to be allocated for providing additional monies to pay COLAs for retirees of LASERS and Teachers Retirement Systems when a COLA would otherwise have been less than two percent.

SB 130 by Senator Boasso (failed to pass) (RSEA supported this bill)

This bill would have required that the state appropriate an additional two percent of the projected payroll each year to be placed in two subfunds – The Unfunded Accrued Liability Payment (UAL) and the Supplement Cost-of-Living (COLA). These monies would have been used to reduce the retirement system debt for LASERS and Teachers and to provide for additional monies for COLAs.

SB 127 by Senator Boasso (Passed. Subject to a vote on the October 2007 ballot.)(RSEA supported this bill)

This bill requires that if any legislation is proposed that would result in the creation of additional unfunded accrued liability (debt) for the retirement system, then a new or additional funding source must be provided which will completely eliminate the created unfunded accrued liability within ten years of such creation.

RSEA Annual Meetings Well Attended

The 2007 RSEA Annual Chapter Meetings were held during the month of April. The meetings had an excellent turnout with approximately 900 RSEA members in attendance. RSEA and its members were pleased that many legislators took time from their busy schedules to participate in the meetings and provide updates on legislative activities. RSEA members enjoy these meetings as they provide an opportunity to network with other retirees and hear informative presentations from various speakers.

LASERS, the Office of Group Benefits and Great West Retirement Services provided updates from their respective agencies. Representatives from these offices were also available before and after the meetings to answer individual questions from our members. Darlene Richard, RSEA Executive Director, also provided an update of RSEA activities.

Other topics covered areas such as Volunteering Opportunities with the Red Cross, Cell Phone Tips, a Gridiron Comedy presentation, Contractor Theft and Fraud, and Identity Theft.

RSEA urges all of its members to attend these informative meetings. The next Annual Chapter Meetings will be held in March 2008. The dates for these meetings will be provided in an upcoming newsletter.



Immediate Past Area President Joy Netherlin leads the Alexandria Annual Meeting held April 12.

Long Term Care Insurance

(Editor's Note: First of a Series on this important and timely topic.)

Long-term care refers to the many services beyond medical care and nursing care used by people who have disabilities or chronic (long-lasting) illnesses. Long-term care insurance helps you pay for these services, which can be very expensive. A policy also ensures that you can make your own choices about what long-term care services you receive and where you receive them.

Ordinary health insurance won't cover it.

People are living longer and longer these days. That's good news, but the flip side of that is there are more years in which there's a risk of serious health problems. And that could literally cost all of your remaining life's savings. Unfortunately, ordinary health insurance policies and Medicare usually do not pay for long-term care expenses. Medicaid, a federal/state health insurance program, will only pay for long-term care if you've already spent most of your savings or other assets. So, there's long-term care insurance.

Long-term care insurance typically covers the cost of:

- Help in your home with daily activities like bathing, dressing, eating and cleaning.
- Community programs, such as adult day care.
- Assisted living services that are provided in a special residential setting other than your own home. These services may include meals, health monitoring, and help with daily activities.
- Visiting nurses.
- Care in a nursing home.

When is it the right time to buy a policy:

Many people don't think about long-term care until they get into their 70's and 80's and their health begins to fail. At these ages, you may be too high a risk for an insurer to cover you; or if you do qualify, the premiums can be astronomical. In fact, some long-term care policies have restrictions on age and health status.

The best time to buy long-term care insurance may be middle-age. It's the time when you have the highest likelihood of being eligible for a policy and, just as important, when premiums costs might be lower.

Is a policy right for you?

Long-term care insurance is probably not for everyone, but—with soaring health care costs, insurers increasingly restricting coverage and eligibility, and people's need to stretch retirement savings through more years—it's a good idea to consider it seriously. Your goals should be to protect your assets, minimize your dependence on other family members, and control where and how you receive long-term care services.

On the other hand, consider the cost. Long-term care insurance is expensive. An individual who's 65 years old and in good health can expect to pay between \$2,000 and \$3,000 a year for a policy that covers nursing home care and home care, with premiums adjusted for inflation. You may not want to buy a policy if the cost of premiums will lower your standard of living or force you to give up other things you need right now. And look ahead, as well. Be sure you'll be able to afford the premiums if your income declines.

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CASA Is Seeking Senior Volunteers

CASA – or Court Appointed Special Advocates – is searching for volunteers to serve abused and/or neglected children in Louisiana.

CASA provides them with a competent and caring volunteer who advocates for children involved in Child in Need of Care proceedings. The purpose of CASA is to speak up in their best interest, including advocating for their placement in a safe, permanent, and healthy home as quickly as possible.

As a CASA volunteer, you will be trained to serve as an advocate for a child in the foster care system. You will meet with the child regularly, attend team meetings and serve as a voice for the child in Juvenile Court.

If you have some free time to help abused and/or neglected children in Louisiana and would like more information about becoming a CASA volunteer, call 800-798-1575, or visit the CASA web site on the Internet, www.childadv.net.

RSEA Web Site Enhanced; Now More Current, Functional

RSEA has moved the web site, www.rseala.org, to a new web hosting company, making it possible to quickly update critical information.

With administrative-access, RSEA can make changes immediately. New documents can be added in a timely manner, such as current issues of this newsletter and lists of congressional and state senators and representatives. Such access is very important during the legislative session or in a crisis, such as during Hurricanes Katrina and Rita.

Files on the web site are converted to the Internet-standard portable document format (pdf), requiring Adobe Acrobat Reader on your computer. Links to download this free software are located on the RSEA site.

Wooley, Smith Named As New Area Presidents



Anita Wooley



Cheryl Smith

Anita Wooley, new President of RSEA's Alexandria chapter, recently retired after a 36-year career in state government.

She worked for Vocational Rehabilitation 16 years as an instructor and counselor. While there, she was elected the first female President of the Louisiana Rehabilitation Association. She was President of both the Louisiana Rehabilitation Counselors Association and the Job Placement Specialists Division. During this time, while President of these organizations on state and regional levels, she also served on their national boards.

In 1986, she went to Pinecrest Developmental Center where she was Director of Vocational Programming for residents. Her outstanding work there led to her receiving the statewide Charles Dunbar award.

She earned a BA in sociology/social work from Louisiana College and her Masters degree from ULL(USL) in Vocational Counseling.

Cheryl Smith is President of the Acadiana chapter. Last year, as Vice President, she led the group following the resignation of Andrew Callier.

Smith retired in 2000 following 27 years in the Dept. of Health and Hospitals, Office of Hospitals. She was a Medical Librarian, starting at the University Medical Center, Lafayette as Head Librarian and expanding her role to become administrator of a national library of medicine \$150,000 grant.

(Continued next column)

Long Term Care Insurance

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Key Issues to Review

- **Coverage.** You can choose long-term care policies that pay only for nursing home care, or only for home care. Or, you can opt to purchase coverage for a mixture of care options that includes nursing home, assisted living, and adult day care. Some will pay for a family member or friend to care for you in your home.
- **Daily or Monthly Benefit.** The daily or monthly benefit is the amount of money the insurance company will pay for each day or month you are covered by a long-term care policy. If the cost of care is more than your daily or monthly benefit, you will need to pay the balance yourself.
- **Benefit Period.** Your benefit period determines the length of time you will receive benefits from your policy. You can choose a benefit period that spans from two to six years, or the rest of your life.
- **Elimination or Waiting Period.** During this period, you must pay all of your long-term care expenses out of your own pocket. This period could last anywhere from 0 to 100 days. The longer the waiting period is, the lower your premiums will be.
- **Inflation Protection.** With health care costs rising to new heights every year, buying a policy without inflation protection is probably buying a policy that won't cover much of your expenses. There are two main kinds of inflation protection: the right to add coverage at a later date; and automatic coverage increases.
- **Non-Forfeiture Benefit.** Policies with this benefit will continue to pay for your care even if you stop paying premiums. This policy feature can add 10 percent to 100 percent to your premium.

Important Features to Consider:

- ✓ Clearly explains when you will be eligible for coverage and how your eligibility will be determined.
- ✓ Does not require that you spend time in a hospital before receiving benefits.
- ✓ Will be renewed as long as you pay the premiums.
- ✓ Lets you stop paying premiums once you begin receiving benefits.
- ✓ Has one deductible for the life of the policy.
- ✓ Automatically covers preexisting conditions if you disclosed them when you applied.
- ✓ Offers choices for inflation protection including an automatic increase in your benefit on an annual basis or a guaranteed right to increase your benefit.
- ✓ Allows you to downgrade your coverage if you cannot afford the premiums.
- ✓ Includes coverage for dementia.
- ✓ Provides at least one year of nursing care and home health care coverage.
- ✓ Allows the right to cancel the policy for any reason within 30 days of purchase and receive a refund.

(Next Issue: National/State Resources for Long-Term Care Insurance Information)
Source: The AARP web site, located at http://www.aarp.org/money/financial_planning/sessionfive/long_term_care_insurance.html

Wooley, Smith Named as New Area Presidents

(Continued from previous column)

She was active in her profession, holding many local, regional and statewide offices with the Medical Library Association, Health Sciences Library Association of Louisiana and TALON, the 5-state Regional Medical Library Association. Smith authored many published articles and papers.

Her honors include the National Library of Medicine's Michael DeBaakey Library Services Outreach award and DHH's Outstanding Creative Performance award.

Louisiana State Employees' Retirement System (LASERS) Update

COLA/Legislature

Eligible LASERS retirees received a three percent cost-of-living adjustment (COLA), effective July 1, 2007, thanks to the outstanding performance of the retirement system's investment program and the support of the legislature. House Concurrent Resolution 7, by House Retirement Committee Chairman Pete Schneider authorized a 2.5 percent COLA for our eligible LASERS retirees. The primary coauthor of this important resolution was Senate Retirement Committee Chairman Butch Gautreaux. A supplemental 0.5 percent COLA was also granted with the enactment of Act 67 of 2007 (SB 116 by Senator Theunissen).

Not all news was good news from the 2007 Regular Session of the Louisiana Legislature. **House Bill 845** would have granted unearned, unpurchased and enhanced retirement benefits to a group of 450 Adult Probation and Parole officers employed by the Department of Public Safety and Corrections. The measure would have added millions of dollars to LASERS' unfunded accrued liability (UAL). The UAL is the difference between all current and projected benefits to be paid from the LASERS trust fund, and the amount of money available to pay those benefits. The LASERS Board of Trustees worked with RSEA to fight the addition of any new, unfunded retirement benefits, and issued an appeal to Governor Kathleen Blanco to veto HB 845, which she did.

Other measures affecting LASERS and its members are as follows:

House Concurrent Resolution 135

Urges and requests Louisiana's thirteen public retirement systems to meet semiannually to share investment strategies.

Act 50

Permits any retiree who received a qualified hurricane distribution prior to January 1, 2007, pursuant to the Katrina Emergency Tax Relief Act of 2005 or the Gulf Opportunity Zone Act of 2005, to repay all or part of such qualified hurricane distribution within three years from the date on which such qualified hurricane distribution was received, but only to the extent that such qualified hurricane distribution was eligible for tax-free rollover treatment.

Act 326

Allows certain participants in the Deferred Retirement Option Plan (DROP), whose post-DROP employment was interrupted due to hurricanes Katrina or Rita, to have this service period adjusted as though the interruptions never occurred. The adjustment does not include the period of unemployment.

Act 414

Makes modifications to a benefit plan approved last year that provides an accrual rate of 3.33 percent for certain peace officers employed by the Department of Public Safety and Corrections.

Act 352

This bill requires retirement systems to implement a corporate governance strategy of constructive engagement to cause companies in which the system has invested to remove facilities and employees from the prohibited nations of Iran, North Korea, Sudan, and Syria. Also, systems with international portfolios should establish a terror-free index fund.

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2007 Election

The nomination process for the LASERS Board of Trustees Election closed on July 10, 2007. There are five open seats in this year's election. Three of the positions are for active-member trustees. Two are for retired-member trustees.

The active-member seats are held currently by Sheryl Ranatza, Kathy Singleton, and Judge Trudy M. White. Ranatza is Deputy Warden of the Louisiana State Penitentiary. Judge White is a Baton Rouge City Court judge.

Singleton retired recently from the Department of Social Services. She is ineligible to run for reelection as an active-member trustee. State law permits her to run as a retiree representative on the board.

The retiree incumbents are Connie Carlton and Barbara McCann. Carlton is a former assistant director of LASERS. McCann is retired from the Department of Social Services. Both are Ex-Officio members of the RSEA Board, while Carlton is the statewide RSEA President.

You can vote in this election by mail, telephone, or Internet. Every eligible voting member of LASERS will receive a ballot packet in the mail.

Therefore, it is crucial for your participation in the election, and to receive other important information from this agency, to ensure that LASERS has your current mailing address on file. (Also, remember to change your mailing address with the Office of Group Benefits.)

If you have moved recently or otherwise changed your mailing address, please visit the *Forms* page of the LASERS website (www.lasers.org) to submit a *Change of Address* form or send LASERS a signed letter with your new address.

Office of Group Benefits Update

Stay Away from Poison Ivy

Information from *HealthDay* tells us that 25 million to 40 million Americans a year suffer severe itchiness caused by a rash that shows up one to two days after contact and can last 10 days to three weeks. You will know you have a poison ivy rash because it usually starts with redness and swelling of the skin, followed by either bumps or blisters. Here are some useful suggestions:

- ✓ Wash your skin as quickly as possible with soap and cold, running water, but don't scrub too hard or use hot water.
- ✓ Cool baths, cool compresses, or massaging the affected area with an ice cube can help relieve itchiness.
- ✓ Antihistamines can help reduce itchiness.
- ✓ Wash the clothes and shoes you wore when you contacted poison ivy.
- ✓ Give your dog a bath in order to remove poison ivy oil and wash garden tools and other items that may have come into contact with poison ivy.

Most cases of poison ivy can be managed at home, but you should seek medical attention if you have a severe reaction. If you are having a more severe reaction, or if there's a significant swelling pain or irritation that disrupts your sleep or daily activities, you should seek help from your health care providers.

Legislation Affecting LASERS

(Continued from page 5)

Act 353

Increases the benefit accrual and employee contribution rates for certain enforcement personnel employed by the Department of Revenue, Office of Alcohol and Tobacco Control (ATC).

Act 367

Allows actuarial purchase of retirement credit for out-of-state law enforcement service. Amended on the House floor to add the language of House Bill 456, extending the sunset date on the Louisiana Broker-Dealer Pilot Program to 2010.

Act 252

This bill allows persons in those parishes affected by Katrina and Rita who took early retirement between 8/31/05 and 6/30/06 to return to state employment prior to December 31, 2008, without having to wait two years.

Also, allows a retiree to request an immediate suspension of benefits. Spousal consent may be required. The retiree may then be reemployed and if reemployed under Option 2 shall not be required to repay suspended benefits.

Senate Bill 127 (Subject to a vote on the October 2007 ballot.)

Requires a funding source for any increase in benefits for members of a state retirement system. The measure is a proposed constitutional amendment.

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