

From the President

It Is Your Turn



Connie Carlton

It is your turn to use your voting power in many important elections this fall.

Utilize the enclosed Gubernatorial Candidate Survey results on this page when making your choice for Governor. You also can help maintain the stability of our retirement systems by voting 'Yes' for Constitutional Amendment # 3. (See page 5.)

And, the LASERS Board of Trustees election packets will be mailed by Sept. 28, with voting concluding on Oct. 26. Incumbents for the positions are myself and Barbara McCann. Others running for the two retiree slots are Benny Harris and Kathy Singleton. (See page 4.)

The RSEA 2008 Annual Meetings are scheduled and finalized. (See page 2.) Be sure and mark your calendars, as they are always lively, informative, and give you the opportunity to interact with other members, RSEA leadership and staff, LASERS and Office of Group Benefits representatives, as well as many local and statewide elected officials.

I have enjoyed serving as your 2007 RSEA President. Working together, we have positively impacted the legislative session. Also, be sure to pay your membership dues so that you and RSEA can continue and enhance this effort.

Now, it is your turn to vote in the various upcoming elections. Don't miss this opportunity to have your say.

INSIDE THIS ISSUE . . .

- Annual Meetings P. 2
- Long-term Care Information. . . P. 3
- LASERS Election Candidates. . . P. 4
- RSEA Endorses Amendment. . . P. 5
- LASERS Update P. 5
- Group Benefits Update. P. 6

The New Louisiana Voice

Official Journal of the Retired State Employees Association of Louisiana

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Gubernatorial Candidates Surveyed

During the month of August, RSEA surveyed major gubernatorial candidates to determine their stands on issues important to our members.

Those surveyed included Walter Boasso, Foster Campbell, John Georges and Bobby Jindal. The four questions (with yes or no answers, and the opportunity to elaborate) were on the survey. Boasso, Campbell, and Georges each responded "Yes" to all questions. Listed below are the verbatim additional comments from the candidates. While Jindal did not reply to each question, he sent a letter stating his support of state employees and retirees. The condensed contents are on page 2.

Question 1--Health Insurance: Currently, the state pays a percentage of the retiree's portion of the Office of Group Benefits health insurance premium. Yes/No—Do you support a change to 100% state premium payment to help Louisiana's state retirees?

Yes/No—Do you support the state picking up the retiree's entire costs for future increases in state insurance premiums?

Boasso: *"The health care crisis in Louisiana must be solved and I will work to ensure that more Louisianans have access to quality, affordable health care. I would support a change to 100% state premium payments to help retirees and I am open to the idea of picking up the retirees entire costs for future premium increases as long as it doesn't leave the state in a financial strain."*

Campbell: *"I'm the only candidate for Governor who has a plan that will generate additional revenue to meet the state's critical issues, including how to maintain our commitments to state employees and retirees. When I eliminate the state income tax, Louisiana taxpayers will save about \$2.6 billion each year that they pay into the state treasury, and businesses will save another \$500 million, sparking an economic boom that will produce more revenue for the state.*

"In addition, I will make up that revenue by instituting a small fee on processing oil and gas in the state, generating \$5.5 billion in new funds. The state will have at least \$1.7 billion in new revenue each year to devote to critical needs.

"Louisiana needs to address the issues of state employees and retirees in a priority fashion. First must be dealing with the UALs in the retirement system and in group health benefits. After we strengthen the existing benefits program, to make certain they are guaranteed, I will be open to expanding benefits as the budget allows."

(Continued on Page 2.)

Dues Payment Reminder

Please complete the enclosed 2008 RSEA Membership Application and mail it in the enclosed courtesy envelope. (A Stamp must be added.) Annual dues are only \$15 and may be paid by personal check or money order. You can also select Easy-Pay, with only \$1.25 deducted monthly from your retirement benefit check.

Annual Meetings Scheduled for '08

Below in date order is RSEA's 2008 annual meeting schedule. Be sure to mark your calendar now for these very important meetings. All times, dates and locations have been confirmed:

Shreveport - Tuesday, March 11, 2008, 10 a.m., La. Technical College, 2011 North Market St., Bldg. E; President: Marshall McKenzie, 318-797-4356

Monroe - Wednesday, March 12, 2008, 9:30 a.m., West Monroe Convention Center, 901 Ridge Ave.; President: Dianne Guillot, 318-396-6275

Alexandria - Thursday, March 13, 2008, 10 a.m., Community Center, 708 Main Street, Pineville; President: Anita Wooley, 318-473-2936.

New Orleans - Friday, March 14, 2008, 10 a.m., VFW Post #6640, 3314 Richland Ave, Metairie; President: Benny Harris, 504-888-7638.

Lake Charles - Tuesday, March 18, 2008, 10 a.m., Contraband Room, Lake Charles Civic Center, 900 Lakeshore Dr.; President: Fern Foster, 337-477-5250.

Acadiana/Lafayette - Wednesday, March 19, 2008, 10 a.m., Fezzo's III, 100 Lions Club Road, Scott; President: Cheryl Smith, 337-237-8634.

North Shore - Thursday, March 20, 2008, 10 a.m., Bogue Falaya Room, Greater Covington Center, 317 North Jefferson; President: Kathy Singleton, 225-222-6567.

Baton Rouge - Tuesday, March 25, 2008, 9:30 a.m., Marriott Hotel, 5500 Hilton Ave.; President: Allen Reynolds, 225-622-3770.

Notices will be sent to all members with current mailing address. Please update your address with LASERS, if you moved in the past several months.

Gubernatorial Candidate Survey

(Continued from page 1.)

Georges: *"As a businessman, I understand the importance of rewarding loyalty and dedication in the workplace. For this reason, I strongly advocate just insurance compensation for retired state employees that is determined by time served. Under my administration, I would lobby in Baton Rouge for the proper funds of the four retirement systems in Louisiana (LASERS, TRSL, LSERS, STPOL) and accept nothing less than the national average of 88%."*

"By eliminating income taxes for 65 and older and keeping more money in their pockets, incremental increases will be more affordable."

Question 2--Cost-of-Living Adjustment: Yes/No—Do you favor enactment of prudent legislation to provide Louisiana state retirees with automatic COLAs?

Boasso: *"I would support automatic COLAs for retirees."*

Campbell: *"Automatic COLAs are essential to retirees, and I know that this year's increase follows several years without one, straining the budgets of retirees. Without changes to the UAL, COLAs will add to future liabilities. As I said before, I will get the retirement debt down and produce COLAs as regularly as possible as the budget allows."*

Georges: *"I support legislation to provide Louisiana with automatic COLAs."*

Question 3--GASB Requirements for Health Benefits: Once this new federal accounting requirement is mandatory, do you support taking the steps necessary to address the required calculation changes that will result in additional liability to the state and subsequent essential funding needed to reduce it?

Boasso: *"I would support legislation addressing this problem"*

Campbell: *See above (# 2). "The state must do anything and everything possible to reduce the liabilities more quickly. Again, I am the only candidate with a plan that would produce the revenue to do so."*

Georges: *"Unfunded mandates put an unfair burden on the states. I am committed to finding the funding needed to reduce it along with our unfunded accrued liabilities."*

Question 4--Unfunded Accrued Liability (UAL): Since the state's payment methods for the UAL do not even cover interest, much less reducing the principle, do you support legislative action to change this payment methodology?

Boasso: *"I am open to legislation addressing this problem."*

Campbell: *See above (# 2). "The state must do anything and everything possible to reduce the liabilities more quickly. Again, I am the only candidate with a plan that would produce the revenue to do so."*

Georges: *"I would support legislative action to dedicate a percentage of any surpluses declared by the Revenue Estimating Conference to the UAL and distribute it equally among the four programs."*

Jindal: His letter to RSEA in response to the Survey stated, *"As a former state employee, I know firsthand how important it is that we protect state employees and state retirees. Indeed, I have served the state as Secretary of the Department of Health and Hospitals and as President of the University of Louisiana System. In addition, my mother has been a state employee for three decades. The thousands of people who serve our state at every level dedicate themselves on a daily basis to ensuring that Louisiana is moving forward and I strongly believe that we must support these workers in their efforts."*

"...I wanted you to hear it from me that I will be a friend and supporter of both state employees and retirees.... I am committed to bringing more jobs"

(Continued on page 4.)

Long Term Care Insurance

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

Consumer Tips

It is wise to shop and compare Long Term Health Care policies. Never pay an agent in cash; write the check directly to the insurance company. When you get your policy, review it immediately to be sure it covers what you paid for.

Every state has an insurance commission that oversees insurance practices in its state. If you have questions regarding the way you're being treated, contact the commission.

You also have a "free look" clause allowing you to cancel your policy within a certain number of days after you've signed and paid for it. Check with your state insurance commission to determine the number of days allowed.

Take Action

- ✓ Find out whether your state delivers the added bonus of a tax incentive for your payments for long-term care insurance from the AARP chart, located at <http://www.aarp.org/bulletin/longterm/a2003-06-23-tax-incentives-.html>. According to this chart, Louisiana has no tax incentives.
- ✓ Check out the AARP State by State Guide to nursing home performance data, located at: http://www.aarp.org/bulletin/longterm/state_guide_to_nursing_home.html.
- ✓ Look for an insurer in your state for any type of insurance, using an online service from the Insurance Information Institute. See the box titled "Individuals" at www.iii.org. (Note, the box rotates three different content messages, so wait for the one you want to appear, then click.)
- ✓ Be sure that the insurance company offering the policy will be financially sound when, or if, it comes time to pay your claim. Use these services:

A.M. Best 908-439-2200 www.ambest.com	Moody's Investors Services 212-553-0300 www.moody.com	S&P's Insurance Ratings Service 212-438-2000 www.standardandpoor.com
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Additional Resources

- For state insurance information, check www.iii.org.
- Read a report discussing the pros and cons of women buying long-term care insurance, from the National Center on Women and Aging, located at <http://iasp.brandeis.edu/womenandaging/ltc.html>
- State Health Insurance Assistance Program (SHIP) is a free program that counsels older adults about health insurance-related topics. SHIP counselors can help you decide if you need long-term care insurance. They can also help you read and understand the insurance policy you are thinking of buying. For the SHIP program nearest you, go to www.medicare.gov.
- The Louisiana Dept. of Insurance (LDI) Senior Health Insurance Information—or SHIIP program—is located at <http://www.lidi.state.la.us/Health/SHIIP/index.htm>. Their LDI Long Term Care Insurance Guide is located at: http://www.lidi.state.la.us/Documents/Health/SHIIP/2005_Long_Term_Care_Insurance_Guide.pdf
- To find out about home and community-based services in your area, call the Eldercare Locator at 800-677-1116.
- United Seniors Health Council specializes in consumer health and

(Continued on page 6.)

Reimportation Bill Passed by Senate

(from U.S. Senator David Vitter's Office)

The U.S. Senate has adopted Sen. David Vitter's drug reimportation amendment as part of the U.S. Senate Department of Homeland Security Appropriations Bill.

The amendment went well beyond the language Sen. Vitter passed into law last year by allowing importation through the Internet and mail order and allowing more than a 90-day supply.

"We have secured another important victory in the fight for comprehensive prescription drug reimportation. This amendment will provide more access to affordable prescription drugs for residents of Louisiana and other states that aren't close to the Canadian border," Vitter stated.

Vitter's victory in last year's appropriations bill prohibited the U.S. Custom and Border Patrol from seizing legal prescription drugs from American citizens crossing the border returning from Canada.

This year's amendment broadens the scope of the current policy to allow for prescriptions drugs to be purchased from Canada through mail order and internet. It also removes the limit of only allowing the purchase of a 90-day supply.

"The support for drug reimportation continues to build even as the big drug lobby continues to ratchet up pressure against it.

We have now passed my reimportation provisions to the Homeland Security Appropriations bill two years in a row, indicating growing support for taking up broader reimportation legislation," added Vitter.

"We must continue to fight to bring Americans more relief from the high prices of prescription drugs."

Gubernatorial Candidates Survey

(Continued from page 2.)

and more economic opportunity to Louisiana, and I want to see state workers and retirees supported for the work they do.

"In addition, I have been a vocal supporter in Congress of legislation to protect state employees and retirees from unfair Social Security provisions, specifically the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP).

"As you may know, the GPO affects those government employees who have spouses that work in the private sector and pay into the Social Security system, lowering the dependent benefits that the government employee receives through Social Security. The WEP reduces the earned Social Security benefits of an individual who also receives a public pension from a job not covered by Social Security, in effect, punishing certain workers, such as public school teachers and state workers who have second jobs.

"I am cosponsor of the Social Security Fairness Act (H.R.82) in the U.S. House of Representatives, which would repeal both the GPO and the WEP. I do not believe we should punish people for working, and certainly do not believe teachers and state workers in Louisiana should be singled out for penalty. These men and women work incredibly hard to ensure a bright future for our state and our children, and they deserve to receive adequate Social Security benefits....I myself have paid into the State Teachers Retirement System, so I know firsthand how unfair these provisions are to state workers....."

"I commit to you that I will continue to fight to protect all Louisiana workers as Governor of Louisiana....."

LASERS Trustee Election for Two Slots

This is an election year for the Louisiana State Employees' Retirement System (LASERS) Board of Trustees. Balloting will begin on September 28 and continue through 4:30 p.m. on Friday, October 26, when all ballots are due.

LASERS retirees are eligible to vote for two of the candidates seeking the two retiree representative slots in this year's election. They are below (in ballot order): Benny G. Harris, Kathy Singleton, Connie Carlton and Barbara McCann.

Complete Platforms and Qualifications are located on the LASERS web site at: www.lasers.state.la.us/Front_Page/Board_Election/Retired_Candidates.asp. In addition, each candidate's Platform and Qualifications are a part of the election packets mailed to retiree members of LASERS.

You will have the opportunity to vote one of three ways in this election:

√ Mail (paper ballot) √ Telephone √ Internet

Visit LASERS' web site for more information, or call the Public Information Division at 225-925-7590.



Benny G. Harris

Benny G. Harris

Retired Correctional Facility Warden
Department of Public Safety and Corrections

Currently Secretary-Treasurer of the RSEA Board and President of the New Orleans chapter.



Kathy Singleton

Kathy Singleton

Retired Social Services Specialist
Office of Community Services

Currently Second Vice President of the RSEA Board and North Shore Chapter President, and Chairman of the Board of Trustees for the Louisiana State Employees' Retirement System.



Connie Carlton

Constance "Connie" Carlton

Retired Assistant Director
Louisiana State Employees' Retirement System (LASERS)

Currently President of the RSEA Board and Ex Officio member. Retiree representative for the LASERS Board of Trustees and Chairman of the Management Committee.



Barbara M. McCann

Barbara McManus McCann

Retired Regional Administrator
Office of Family Support

Currently Ex Officio member of the RSEA Board. Retiree representative for the LASERS Board of Trustees and Chairman of the Investment Committee.

Louisiana State Employees' Retirement System (LASERS) Update

COLA Eligibility

Eligibility for a cost-of-living adjustment (COLA) for LASERS retirees is defined by state statute, La. R.S. 11:542C (4) (a).

To be eligible for a COLA, a regular LASERS retiree must have reached the age of 55 as of June 30th of the year that a COLA is authorized by the legislature. In addition, you must have been retired since June 30th of the previous year.

A disability retiree must have reached the age of 55 as of June 30th of the year prior to a COLA being authorized by the legislature. For example, to be eligible for the COLA authorized in 2007, a disability retiree must have turned 55 as of June 30, 2006.

A beneficiary is eligible for the COLA if the deceased retiree would have turned 55 as of June 30th of the year the COLA is authorized, and if retiree or survivor benefits have been paid since June 30th of the previous year.

A COLA is possible only when the LASERS Employee Experience Account contains sufficient monies to fund an increase. The funds in the Experience Account come from any excess revenues generated by the LASERS investments program. Fifty percent of investment earnings above the legislatively mandated 8.25 percent minimum return are deposited into the Experience Account each year until the balance is sufficient to fund a COLA.

Pension Protection Act of 2006

Retired public safety officers may now take advantage of the \$3,000 per year exclusion from taxable income for Office of Group Benefits insurance coverage.

The federal Pension Protection Act of 2006 allowed LASERS to forward up to \$3,000 per year in your pre-tax dollars directly to a provider of accident, health, or long-term care insurance. However, the United States Department of the Treasury issued an interpretation that this provision did not apply to self-insured plans such as the Office of Group Benefits.

LASERS and other public pension plans objected to this interpretation and the
(Continued on the next column.)

RSEA Endorses Passage of Amendment #3

There are four constitutional amendments for which the public can cast a vote at the October 20 Gubernatorial Primary. One of the constitutional amendments, **Amendment #3**, deals with retirement benefits. This amendment is a result of Act No. 484 which was passed by the legislature during the 2007 Regular Legislative Session.

Amendment #3 requires that if any future 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 encourages all retirees to **vote yes for Constitutional Amendment #3** as it will prevent future legislation from reducing the fiscal soundness of the state's retirement systems.

LASERS Retiree Workshop

The program includes updates on LASERS news, Social Security information, investment information, and social networking. This workshop is for retirees only. **Seating is limited, so please register early.**

The Workshop is scheduled:

Wednesday, November 7, 2007
Louisiana Retirement Systems Bldg.
4th Floor Board Room, 8401 United
Plaza Boulevard, Baton Rouge

If you would like to attend, you can register by phone or e-mail. Contact:

Janet Harris

Retirement Education Consultant
225-922-0819

jharris@lasersonline.org or
Claire Berger

Retirement Education Consultant
225-925-6814

cberger@lasersonline.org

Pension Protection Act

(Continued from the previous column.)

Department of the Treasury has now reversed its ruling. Corrective legislation will be submitted to Congress, but, Treasury will now allow public plans to implement this provision.

If you have already submitted Form 10 -03, Public Safety Officer Authorization for Insurance Premium Deduction, your instructions will be implemented starting with your August, 2007 check, and will not be applied retroactively.

You may notice a slight increase in the net amount of your check as a result of this implementation.

Please consult your tax advisor on how to take advantage of the taxable exclusion available to you for your January through July, 2007 qualifying insurance premiums.

Good Informational Resources:

RSEA--www.rseala.org

LASERS--www.lasersonline.org

OGB--www.groupbenefits.org

Office of Group Benefits Update

Legal Decision Awaited on implementation of Act 479

The Office of Group Benefits (OGB) strives to offer the best possible health insurance to our plan members and works hard to keep costs down without reducing benefits. It's a difficult challenge.

Across America, health care costs continue to increase annually. And south Louisiana still faces shortages of doctors and medical professionals who departed the state after Hurricanes Katrina and Rita damaged and destroyed hospitals, medical facilities and their homes.

As required by state law, OGB uses a competitive bid process to choose companies to administer our HMO and EPO plans. This helps plan members get the most value for every health care dollar they spend on insurance premiums. OGB solicited bids this spring from companies in Louisiana and elsewhere to provide coverage for EPO and HMO plan members in each region of the state for the next three years. Contracts were awarded to the lowest bidders: Humana for the HMO plan statewide and UnitedHealthcare for the EPO plan statewide.

Vantage, based in Monroe, was among the companies that did not submit a bid. For the last seven years, Vantage offered an HMO plan that covered about 6,000 plan members in the Monroe region.

Earlier this summer, the Louisiana Legislature passed House Bill 247, which the governor signed into law as Act 479 of 2007. The Act directs OGB to contract with up to three Louisiana-based insurance companies in each region to provide HMO plans in addition to the PPO, EPO and HMO plans already offered. The new law also directs OGB to reopen annual enrollment to give plan members another opportunity to select a plan for 2007-08.

Both Humana and UnitedHealthcare filed suits in federal court to prevent the new law from being implemented. As of August 27, when this newsletter went to press, the judge had not yet heard the case.

It is possible that OGB will not be able to implement Act 479 until a judgment is rendered by the court and any subsequent appeals are resolved. If the new law is upheld, OGB will reopen annual enrollment, and changes in coverage will take effect January 1. After all legal issues are resolved and the additional annual enrollment period ends, OGB will mail directories and other information to PPO plan members.

Useful Facts and Information

LA Treasury Handles Unclaimed Property

Unclaimed property is money in the normal course of business that is presumed abandoned after a certain period. When the owner cannot be located, the money goes to the state for safekeeping. Examples of unclaimed property include savings or checking accounts, uncashed payroll checks, certificates of deposit, stocks or dividends, insurance proceeds, oil or gas royalty payments, utility deposits and similar funds. To search for unclaimed property: <http://www.treasury.state.la.us/ucpm/ucp/claim/simplesearch.asp>.

Flag Salutes

Congress recently passed a bill that allows veterans to salute the flag, whether they are in or out of uniform, instead of putting their hand over their hearts. It is S. 1877 by Senator Jim Inhofe (Oklahoma). More information next issue.

Retired State Employees Association of Louisiana The New Louisiana Voice

is the official RSEA publication. The mission of the Association is to advance the quality of life of state employees who have given generously of their talents to the State of Louisiana. The name and distinctive logo of the publication are registered with the Louisiana Secretary of State. Permission is hereby granted for the use of any materials within these pages, provided proper acknowledgment is made.

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Long Term Care Insurance

(Continued from page 3.)

health insurance issues. The council publishes a newsletter and sells books on long-term care and long-term care insurance. Their web site is located at: <http://www.unitedseniorshhealth.org/>

Source: aarp.org/money/financial_planning/sessionfive/longterm_care_insurance.html.

(Next issue: Detailed information on the Louisiana Dept. of Insurance Senior Health Insurance Information Program.)