

The New **Louisiana Voice**

THE OFFICIAL JOURNAL OF RSEA



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RSEA HONORS 2020 CHAPTER MEMBERS OF THE YEAR



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RSEA PRESIDENT'S MESSAGE



Plans have already begun for our annual conference to be held Oct. 6-7, 2020 at the Paragon Casino and Resort in Marksville, LA. Our theme will be "Celebrate the Past and Envision the Future". We look forward to another great conference with entertaining speakers, interesting topics, informative exhibits and updates from LASERS and OGB. The conference committee is planning our conference now and we will be giving updates as we move forward. The important thing at this point in the planning is to mark your calendars with the dates and encourage your friends to join us at the Paragon. We had a couple of issues last year, but we recognize that and are making attempts to assure that these do not happen again. We will have larger rooms for our sessions and larger room for our Tuesday evening fun event. It was great to have the numbers of attendees in 2019 and we anticipate an even larger turnout this year.

If you have not checked the RSEA website recently, please do so. We are excited about our new website that is being kept up to date with new information on a regular basis. We know that there are those who are very interested in the WEP (Windfall Elimination Provision) or offset of the Social Security relating to one's own earnings. The GPO (Government Pension Offset) relates to the penalty or offset to one's spousal survival benefits of Social Security. Neither offset has any impact on one's government pension but can substantially reduce or offset the amount of money that one would otherwise be entitled to under the regular Social Security benefits formula. There is a video posted on our website that has a very good explanation of these offsets. Please check it out!

Our Legislative and Governmental Affairs Director, Frank Jobert follows this closely and keeps us informed as to the status of recent federal legislation in the United States Congress. In this Newsletter you will see Mr. Jobert's article which explains more about this and the current bills before the La. House and Senate.

We are asking that each of you help us in our efforts to gain new members this year. Our membership dues remain at the low cost of \$18 per year and are due now. Don't forget that if you want dues of \$1.50 per month, you can have that deducted

from your LASERS check. Just call the RSEA office (225-930-0961 or toll free 1-800-866-938-0961) and we will set you up.

Please save the date for "2020 Vision" and we will "Celebrate the Past and Envision the Future" on October 6-7, 2020.

"May you hear the sound of laughter,"

"May you know the love of friends,"

"May you share the joy of living,"

"May your blessings never end."

Gwen Thompson,
RSEA State President

ADMINISTRATIVE DIRECTOR'S MESSAGE



Unfortunately, our annual Chapter meetings across the state were cut short this year due to the Corona Virus outbreak. We were, however, able to have meetings in Shreveport, Monroe, Alexandria, Lake Charles, Lafayette and Baton Rouge. For those that missed their meeting in either Covington, New Orleans or Gray, we are sorry for the inconvenience and hope to see you next year. We will try to have some updates on our website for information about news from LASERS or OGB that was presented at those meetings. However, you can access both of those agency updates on their webpages also. News about State and Federal legislation that can affect our pensions and benefits was also presented, but you can access that information now in this Newsletter by reading Frank Jobert's article.

RSEA is pleased to announce the launch of our new website this year which offers some enhancements. Our great partner, AMBA, built this website for us when they acquired a social media company called Vilocity. And best of all, it is more secure and free, saving us \$55 per month. You can access it now at <https://rseala.org/>. One of the new features, which was requested by members, is a fillable membership registration form with the ability to pay online with a credit card. Judging by the response so far, many members are using this feature. We also have been posting retirement tips on our webpage as well as on our Facebook page. You can read these tips to help you get the most from your retirement and best of all they are short and to the point. For more detailed information on a variety of retirement and aging related topics go the Helpful Link Page of our website.

Unfortunately, membership in RSEA is down again. We need all of our active members to help us recruit more members. Please talk to you fellow co-workers and retirees that you know and ask them to join. Remember that RSEA is your advocate and watchdog for you pension and retirement benefits. The more members we represent the stronger our voice resonates at the legislature. There are currently 28 bills in the legislature this year that we are tracking; some are ok, others are not. We will keep you informed on the progress of these bills, but we need to have your correct contact information in order to do so. Please take a moment to update us so that we can continue to provide you with this critical information. You can call us at 225-930-0961 or toll free at 1-866-938-0961 or email us at rseastaff1@att.net.

Jimmy Anthony
Administrative Director

RSEA LEGISLATIVE & GOVERNMENTAL AFFAIRS DIRECTOR'S MESSAGE



The 2020 Regular Louisiana Legislative Session is set to begin at noon on Monday, March 9th, and must end no later than 6:00 p.m. on Monday, June 1st. Since this session is not deemed a "fiscal session", basically all legislative topics are up for discussion and debate, including retirement, with the exception that no measure levying or authorizing a new state tax, increasing an existing tax, or legislating with respect to state tax exemptions or exclusions, deductions or credits shall be introduced or enacted.

Coming off of the 2019 election year for the entire 144 members of the legislature, there will be 45 "new" House members and 20 "new" Senators. This represents approximately almost one-half of the House of Representatives and slightly over one-half of the Senate. This should make for an interesting and exciting session, as we await the voting posture on retirement and health insurance (matters of great concern to state employees and retirees), of the newly constituted and apparently solidly conservative legislature.

As of this writing, thus far (18) retirement bills impacting state and statewide retirement systems have been introduced in the House of Representatives and (15) retirement bills have been introduced in the Senate. Some of these will be presented elsewhere in

this newsletter with RSEA's recommended positions on each measure.

Of special note, is House Bill 31 by Rep. Barry Ivey which calls for the establishment of a "hybrid" (part defined benefit and part defined contribution) retirement plan, effective on or after July 1, 2021, for all new hires of LASERS. RSEA is opposed to this measure for reasons too numerous to cover in this space! Rep. Ivey has also introduced HB 26 (Constitutional Amendment) impacting State Retirement Systems, that will modify the current guarantee of your retirement benefits in the State Constitution (Article X, Section 29). RSEA is opposed to any and all measures that tamper with the State Constitution, as this is the bedrock upon which your pension guarantee is built. To tamper with this language opens up the possibility that the guarantee itself (for all of our retirement benefits) could go away and this is unacceptable to current state employees/teachers/school workers/state police and our retirees and beneficiaries.

Also, of special note for Office of Group Benefits members is HB 325 by Rep. Michael Echols. This measure, if passed in its present form, mandates that Medicare participants in OGB must join an OGB Medicare Advantage Plan, even if already a member of the traditional (Magnolia) PPO or HMO plan offerings of OGB. RSEA is opposed to this measure as it could possibly restrict "freedom of choice" of your current doctor, hospital, or other medical service providers! It would also most likely restrict out-of-state options for specialized medical services, currently provided by OGB. And also shrink the size of the physician and hospital networks of in-state medical service providers, further impacting your freedom-of-choice options! While we have no problems with the Medicare Advantage OGB Plan offerings for those who select them, we feel it should be the member's choice and not mandated by state law!

RSEA has partnered with AARP of LA. as a part of a coalition known as "Live at Home Louisiana". The belief of the coalition members is that Louisianans should have the right to choose where to live. Everyone should have the independence and freedom to live where they want and receive the care that they need. Over 17,000 people are waiting for a waiver as an alternative to nursing homes. These older Louisianans are on a waiting list for essential home or community services to help with everyday aspects of life, like bathing dressing and more. They cannot wait the 9 years it takes on average to receive these necessary services! Over 90% of voters over age 45 want to remain in their homes and live independently. Helping Louisianans who need long term care to "Live at Home" is the right thing to do. It also makes fiscal sense because stay

RSEA LEGISLATIVE & GOVERNMENTAL AFFAIRS DIRECTOR'S MESSAGE CONT'D.

at home care costs less than half that of nursing home care. Email or contact your state legislators and let them know how you feel about this issue.

The latest updates on the Social Security Offsets (WEP/GPO) are as follows. U.S. Senate Bill (S.521) was introduced by Senator Sherrod Brown (D-Ohio) and has 38 co-sponsors as of this writing. The United States House of Representatives Social Security Fairness Act of 2019 (H.R. 141) has been filed by Congressman Rodney Davis (R-Illinois) and has 245 co-sponsors as of this writing. All six of Louisiana's Congressmen are co-sponsors of H.R. 141. These appear to be truly bipartisan efforts. We need 290 co-sponsors to force a vote in the House of Representatives. Please contact your U.S. Senator, Bill Cassidy (202-224-5824 www.cassidy.senate.gov) and thank him for co-sponsoring Senate Bill 521 as of March 5, 2020. RSEA supports both of the measures.

In July of 2019, Rep. Kevin Brady (TX) has introduced H.R.3934, Equal Treatment of Public Servants Act of 2019. This measure deals primarily with modification of the WEP formula and is still pending consideration in

the House Committee on Ways and Means. It has 44 co-sponsors, including Rep. Garret Graves. RSEA supports this measure.

Finally, as recently as September 27, 2019, House Ways and Means Committee Chairman Richard Neal (MA) introduced H.R.4540, Public Servants Protection and Fairness Act of 2019. Likewise, this measure deals primarily with a modification of the WEP formula and not the GPO. It proposes to increase those affected by the WEP by as much as an extra \$150 per month, while insuring that no one receives a lower benefit than they are currently entitled to, and it maintains the current WEP exemptions already in current law. It has 135 co-sponsors, but none at this time from Louisiana. Contact your Louisiana Congressman & ask them to co-sponsor H.R. 4540. RSEA supports this measure also.

Frank Jobert, Jr.
RSEA Legislative & Governmental Affairs Director

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**BENEFITS
STILL FIT?**

LASERS UPDATE

Required Minimum Distribution Age Change

In December 2019, Congress passed the Setting Every Community Up for Retirement Enhancement (SECURE) Act. This Act modified the required age to begin receiving payments from Deferred Retirement Option Plan (DROP) or Initial Benefit Option (IBO) accounts beginning in 2020.

The SECURE Act changed the age requirement from 70 ½ to 72 for people born on or after July 1, 1949. However, if you are retired and were born before July 1, 1949 you will still be required to take a Required Minimum Distribution (RMD) at age 70 ½ in 2020, and each year thereafter.

For more information, refer to the Internal Revenue Service (IRS) website FAQ section on RMDs. If you have questions regarding the SECURE Act or RMDs, please speak with your tax advisor.

New Alternative Tax Form 1040-SR Available for Seniors

The Bipartisan Budget Act of 2018 required the IRS to create a tax form for seniors, so now taxpayers age 65 or older have the option to use the 1040-SR. The new form features larger print and a standard deduction chart with a goal of making it easier for older Americans to read and use.

Taxpayers born before January 2, 1955, have the option to file Form 1040-SR whether they are working, not working, or retired. Seniors can use the new form to file their 2019 federal income tax return, which is due April 15, 2020.

For specific details about the 1040-SR, visit the IRS website or consult your tax advisor.

LASERS Answers YOUR Questions on Investment Returns and DROP

LASERS recently sent members a survey requesting input to help us plan our portion of the RSEA statewide tour presentation. Over 600 members responded with many questions related to investment returns and the Deferred Retirement Option Plan (DROP). The information below addresses some of your questions.

What is the DROP Interest for Eligible Accounts?

- The DROP interest paid for Non Self-Directed Drop Accounts is 4.68% (this rate is always .5% less than our actuarial return).

Why is the DROP interest so low when the stock market is flourishing?

- LASERS currently invests 23% of the plan in the US stock market;
- We do not invest a large portion of our fund in the stock market because of its volatility;
- The rise in the S&P 500 has been highly unusual in the most recent decade;
- However, in the prior decade, the returns of the S&P 500 were poor, providing negative returns to investors;
- While the S&P was performing poorly, LASERS return over that same 10 year period was positive 3.3%;
- This demonstrates the volatility of this market;
- LASERS is a long-term investor, committed to a broadly diversified portfolio to maximize return while minimizing risk;
- We invest domestically and internationally, in both public and private markets;
- Our approach to investing allows the plan to earn an amount sufficient in the long-term to provide benefits, while minimizing the impact and risk of large market swings;
- We believe that the plan is well positioned to meet its long-term goals and objectives.



Bonita, Gwen, and Jimmy Envision the Future.



2020 Legislation Impacting RSEA with Recommended Positions:

HB 26 – Ivey

Systems Impacted: All Four (4) State Retirement Systems (Constitutional Amendment) Modifies existing constitutional guarantees to provide that only benefits annuitized by a state retirement system will be guaranteed by the State.

RSEA: Oppose

HB 31 – Ivey

Systems Impacted: LASERS

Provides for a new hybrid retirement plan for members of LASERS retirement system whose first employment occurs on or after July 1, 2021.

RSEA: Oppose

HB 33 – Ivey

Systems Impacted: LASERS & TRSL

Creates a new optional Hybrid Plan, similar to HB 31, for persons who are employed by a public postsecondary education management board.

RSEA: Oppose

HB 307 – Zeringue

Systems Impacted: LASERS & TRSL

(Appropriations/Supplemental) Makes Supplemental appropriations for LASERS (\$16.6 million) & TRSL (\$36.7 million) from 2018/19 surplus for pay down of the UAL.

RSEA: Support

HB 325 – Echols

Systems Impacted: Members of Office of Group Benefits (OGB)

Proposed law restricts continued coverage by retirees who have elected to enroll in Medicare Parts A and B to participation in a Medicare Advantage Plan. The retiree may not continue coverage under any policy provided for by OGB except for coverage under a Medicare Advantage Plan.

RSEA: Oppose

HR 21 – Harris

Systems Impacted: All Four (4) State Retirement Systems Requests the state retirement systems to report to the legislature on alternative methods for providing permanent benefit increases (COLAs) to retirees.

RSEA: Support

SB 10 – Peacock

Systems Impacted: LASERS

Allows LASERS members who are eligible for regular retirement to apply for disability benefits. Allows members who were ineligible to apply for disability because they were eligible for regular retirement on or after January 1, 2013, and on or before June 30, 2020 to apply for disability benefits. Any disability benefits granted shall be paid prospectively only.

RSEA: Support

SB 18 – Peacock

Systems Impacted: LASERS & TRSL & LSERS

Changes retirement eligibility for new hires on or after July 1, 2020 (excluding Hazardous Duty Plan) to: 5 years of service at the greater of age 67 or the age of retirement set by the Social Security Administration; 40 years of service at age 62; or 20 years of service at any age (with actuarial reduction).

RSEA: Oppose

HCR 9 – Johnson, Mike

Systems Impacted: All Four (4) State Retirement Systems Memorializes congress to review and eliminate the provisions of federal law which reduce Social Security benefits for persons receiving pensions from federal, state, or local government retirement systems by supporting S.521 of the 116th Congress, the Social Security Fairness Act.

RSEA: Support

SCR 34 – Mizell

Systems Impacted: All Four (4) State Retirement Systems

Memorializes Congress to take such actions as are necessary to review and consider eliminating provisions of federal law which reduce Social Security benefits for those receiving pension benefits from certain federal, state, or local government retirement or pension systems, plans, or funds.

RSEA: Support

SR 15 – Price

Systems Impacted: All Four (4) State Retirement Systems

Urges and requests the state retirement systems to report to the legislature on alternative methods for providing permanent benefit increases (COLAs) to retirees.

RSEA: Support

2020 RSEA Conference Announcement

We regret to inform all of our members that the 2020 Annual RSEA Conference has been cancelled due to the uncertainty of the Covid 19 virus outbreak.

We have closed our office until at least April 30 following the Governor's latest order. We will continue to follow those orders for as long as they are in place.

RSEA staff is working at home during these troubling times and are here to help you just as we always have. You may contact us at the following:

Linda Price 225-964-8441 for membership questions
Susan Jandle 225-229-3386 for billing questions
Frank Jobert 504-289-9424 for Legislative questions
Jimmy Anthony 225-247-4763 for all other questions





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Access2day Health: Maximize Your Benefits!

Last July, OGB members enrolled in the Pelican HRA1000, Magnolia, Magnolia Local Plus, or Magnolia Open Access* plans were given a VIP membership with Access2day Health. This membership entitles members to access to preventative and primary care with the convenience our members desire and the added bonus of NO out-of-pocket costs. OGB would like to remind our retirees of this valuable benefit available to them that can help save them a little money.

The use of these clinics is completely voluntary and members may still choose to visit their primary care doctors, and pay the applicable, co-pay, co-insurance or deductible costs.

Access2day providers treat many common problems for primary, preventative, and wellness care with no out-of-pocket expense to the patient. Treatment available at the Access Health clinics includes, but is not limited to:

- Respiratory conditions
- Fractures
- Head, eye and ear conditions
- Lacerations and cuts
- Digestive and urinary conditions
- Skin, hair and nail conditions
- Preventative health care
- Basic lab work
- Vaccinations and shots
- Routine physicals
- Screening panels
- Specialty referrals

After your assessment, if a higher level of care is required, a provider referral will be made for your care. If you do not have a primary care physician, Access2day clinics can provide this care also. If you need a specialty physician for a more comprehensive level of care, this referral will be made for you; at which time, your health insurance and all applicable deductibles and co-pays will then apply. Visit access2dayhealth.com/ogb.php to learn more about this benefit option. Members can download the helpful mobile app for Apple and Android by scanning this QR code:



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