

## From the President Political Potpourri



Sona F. Young

On our trip to visit the Louisiana congressional delegation in Washington, D.C., RSEA Executive Director Darlene Richard and I discussed important issues related to Social Security and the impact on LASERS retirees.

All were interested, sympathetic and receptive of our comments. However, as stated in the story to the right, nothing will happen this year, since Congress is focused on hurricane recovery and the situation in Iraq.

One Representative, Richard Baker, has taken a special interest in the GPO (Government Pension Offset) and WEP (Windfall Elimination Provision), and is working with RSEA to support remedial legislation. When the time comes, Rep. Baker and the other congressmen will need your support to lobby for fair and equitable rulemaking.

And speaking of support, during this state legislative session, it is vital that each of you contact state senators and representatives in support of the Cost of Living Adjustment (COLA) for LASERS retirees. The entire legislature list is available on the RSEA website at: (<http://rseala.org/news/>). Included are phone numbers, mailing addresses, fax numbers and email addresses.

**Included with this newsletter is a membership card for 2006. For those RSEA members who have not yet paid 2006 dues, we have also enclosed a dues invoice.**

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# The New Louisiana Voice

## RSEA Leaders Discusses WEP/GPO With LA Congressional Delegation



Rep. Richard Baker and RSEA President Sona Young pose in front of the U.S. Capitol Building.

RSEA State President, Sona Young and RSEA Executive Director, Darlene Richard recently met with four members of the Louisiana Congressional Delegation in Washington, D.C.

They met with the offices of Senator David Vitter, Senator Mary Landrieu, Representative Jim McCrery and Representative Richard Baker to discuss the social security offset provisions.

These offset provisions are the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP).

The Government Pension Offset eliminates or reduces the spousal social security benefit by two-thirds the value of a public servant's retirement benefit.

The Windfall Elimination Provision reduces, but does not eliminate, a por-

tion of an individual's Social Security earned from work outside of his/her public employment.

Currently there are four bills pending in Congress that would repeal these unjust offset provisions.

Unfortunately, RSEA was advised by the Louisiana Congressional Delegation that these bills will not be moved/discussed in 2006 but more likely in 2007 as part of Social Security reform.

The reason for not moving these bills in 2006, is that this is an election year for Congress and there will be fewer days of congressional hearings and other major issues such as hurricane recovery and the war in Iraq will take precedence during 2006.

RSEA will continue to keep abreast of any possible activities to repeal these provisions in the future.

### Connie Carlton Elected Chair of LASERS Board



Connie Carlton

Connie Carlton, former Executive Director for RSEA, was elected 2006 Chair of the LASERS Board of Trustees.

Currently, Carlton represents retirees on the LASERS Board. Her term expires on Dec. 31, 2007. She is an ex-officio member of the RSEA Board.

From 2000 to 2003, she served as Assistant Director of LASERS. Prior to

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## Legislative Update, 2006 Regular Session



The Louisiana State Legislature began its regular 2006 Session on March 27 with adjournment scheduled no later than 6 p.m. on June 19, 2006. During this 85 calendar day session, the Legislature will consider a cost-of-living adjustment (COLA) for retirees. Securing passage of the legislative concurrent resolution (bill number not yet available) for implementing the COLA is a top priority for the Retired State Employees Association (RSEA).

If approved by the Legislature, the proposed COLA of up to 2.4% will be effective July 1, 2006. Eligibility for the COLA is based upon the following restrictions: 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 retiree would have attained the age of 55 and 3) All disability retirees or benefits based on the death of disability retirees. The percentage of each recipient's COLA is figured on the first \$79,114 of the annual benefit, based on increases in the consumer price index for previous years.

**RSEA urges all of its members to let your voice be heard about the proposed COLA by contacting your local senator and representative. Enclosed is a sample letter that you can personalize and send to your legislators letting them know the importance of supporting the proposed COLA.**

In addition to the concurrent resolution for the proposed COLA, twenty five bills have been filed to date on matters related to retirement and/or the Louisiana State Employees Retirement System (LASERS). These bills were discussed at the April board meeting of RSEA. Below is a summary of a few of the critical bills that are being monitored by RSEA. A complete list of these legislative bills can be found on the RSEA website, [www.rseala.org](http://www.rseala.org) or you may contact

our office (toll free 1-800-256-1818 or in the Baton Rouge area 344-5448.)

### **HB 208 by Rep. Toomy (RSEA opposes this bill)**

This is a special interest bill that provides for an early retirement incentive for district, juvenile, and municipal court judges in Orleans, St. Bernard or Plaquemines Parish which allows these judges to retire at any age or amount of service. This golden parachute also allows the judges to receive an additional % retirement benefit that is retroactive for their entire years of service. These individuals should not be singled out for such special retirement benefits that are not available to the rank and file employees of the state. Other state employees were impacted by the hurricanes, as they were either furloughed or terminated, and did not have this type of opportunity for retirement.

### **HB 1058 by Rep. Montgomery (RSEA supports this bill)**

This bill relates to the rehiring of retirees. Currently the law provides that any retiree of LASERS who has at least 30 years of service and is at least age 70 shall be exempt from any suspension or reduction of benefits if reemployed by the state. This proposed bill will remove the requirement that a retiree must have 30 years in the system and changes the age requirement from 70 to 65 for exemption from any suspension or reduction of benefits.

### **SB 327 by Sen. Marionneaux (RSEA opposes this bill)**

This bill provides for an early retirement incentive to members of LASERS whose salaries are paid solely out of state funds provided by the General Appropriation Act or Legislative Appropriation Act. It is not applicable to employees whose salary expense is reimbursed with federal funds. It allows an member who is eligible to retire on or after July 1, 2006 and on or before December 31, 2006

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## **Shirley Grand Resigns Position with RSEA; Now in Mississippi**



Shirley Grand

Shirley Grand, long-time RSEA leader and President of the New Orleans chapter, has resigned and moved to Hattiesburg, MS following extensive hurricane damage to her home and to be near family members.

Known as an avid 'shutterbug,' the retired Charity Hospital nurse documented RSEA activities on film during her many years of membership.

She retired from "Big Charity" in 1982, following a distinguished 30-year career in the Pediatrics Unit, including many years as Unit Director.

Grand was a tireless and caring advocate for these smallest of patients in the largest of public hospitals in the U.S. She had to deal with constant shortages of medical supplies, equipment, and other resources, but reached out to the community for assistance.

Her effective solicitations made her unit the envy of the hospital. Though never a mother herself, Shirley's "children" at Charity always had toys, clothing, snacks and regular celebrity visitors. She was never fazed by the famous, treating visitors like "The Hulk," Lou Ferrigno; soap opera stars Anthony Geary and Geanie Francis (Luke and Laura on *General Hospital*); and Robert Kennedy, Jr. just like 'ordinary folks.'

Her marriage to building contractor Milton Grand was a happy one, cut short when he died of a heart attack. As a widow, Shirley was traveling companion of another well-known RSEA member now-deceased, Mary Cannon. The two were quite a 'dynamic duo.'

To write: Shirley Grand; 1411 Rambling Rose Lane; Hattiesburg, MS 39402.

We will miss you, Shirley. All the best!



At the March 17 Annual Meeting in New Orleans, Frank Jobert speaks at the podium. Also at the head table were (l-r): Cynthia Rougeou from the Louisiana State Employees' Retirement System; Dean Moberly from the Office of Group Benefits; Darlene Richard and Sona Young, RSEA, and former Lt. Governor Jimmy Fitzmorris.

## '06 Annual Meetings Informative

The 2006 Annual Chapter Meetings were held during the month of March and were a tremendous success with many RSEA members in attendance.

These meetings gave the RSEA members an opportunity to renew acquaintances as well as hear excellent and informative presentations from various speakers.

Topics covered included Fraud Protection, Keeping You Safe in the

### Many Miss VA Benefits Due Veterans, Widows

According the Veterans Administration, only 27 percent of veterans and 14 percent of widows who are eligible receive VA pensions due them.

VA pensions are a benefit paid to wartime veterans: with limited income who are age 65 or older; discharged under any situation other than dishonorable; served 90 days or more active duty (with at least one day during a period of wartime); and their income is below a yearly limit set by law. A veteran with no dependents qualifies if the income is less than \$10,579. Those with spouses and dependents have higher levels.

To apply, complete VA Form 21-526, *Veteran's Application for Compensation and/or Pension*, or go on-line at [www.va.gov](http://www.va.gov), by selecting the "Apply On-line" tab, or by calling toll-free at 1-800-827-1000. Help any veterans or spouses apply, since the VA is not reaching out to those who are eligible.

East Baton Rouge Parish area and Senior Scams.

Both LASERS and the Office of Group Benefits provided information and updates on state retirement and health insurance topics. Representatives from these offices were also available before and after the meetings to answer individual questions from our members.

Darlene Richard, RSEA Executive Director, provided an update of RSEA activities and discussed the upcoming legislative session. Many state senators and representatives were able to attend the meetings and provided updates to our members on state legislative activities.

Many legislators expressed their support for the proposed cost-of-living adjustment which will require legislative approval during the 2006 Regular Session of the Legislature.

Overall, RSEA members expressed their enjoyment of the meetings and look forward to those being held in 2007.

### Connie Carlton Elected

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that, she was Director of the Office of Statewide Information Systems (OSIS).

She also was a LASERS Board member representing active employees from 1986 to 1994, chairing their Investment committee in 1982, 1992 and 1993. Carlton is a Certified Public Manager (CPM) and is a founding member of the Louisiana Society of Certified Public Managers.

## Seniors 55+ Finishing AARP Class in Driving Get Insurance Discount

If you are age 55+, the American Association of Retired Persons-or AARP-has a deal for you! AARP offers a Driver Safety Class for only \$10. Some classes are four hours each for two days, some are completed in one day.

Why should you take this class? You can tune up your driving skills and refresh and update your knowledge of the rules of the road. This class also helps you recognize normal age-related changes in physical skills and how to adjust your driving accordingly. Thus, you can drive more safely, reducing the possibility of involvement in auto crashes. Finally, you can get a discount on your auto insurance.

Louisiana allows insurance companies to determine the amount of the discount for individuals 55+ who successfully complete the program. You need to check with your insurance agent to determine the discount amount allowed.

To find an AARP Driver Safety Class in your area, go to <http://www.aarp.org/> Click on "Family, Home & Legal" and then "Driver Safety" in the far left column. Or, you can call the State AARP Office toll-free at: 1-866-448-3620.

### Legislative Update

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to receive a one-time incentive of \$500 for each year of service in addition to his regular retirement benefit. Any member who is not eligible to retire on or after July 1, 2006 and on or before December 31, 2006 but who has 25 years of service (exclusive of military service) shall be eligible to retire and receive a regular retirement benefit and also receive a one-time retirement incentive payment of \$250 for each year of service. RSEA is opposed to this bill because it discriminates against the rank and file employees who are paid with federal funds. In addition, the payment of the incentive funds will be at the expense of the retirement system.

## Borden Takes New Position



Robert L. Borden

LASERS Executive Director Robert L. Borden announced in March that he was leaving the retirement system for a career opportunity he could not pass up.

Borden accepted the position of Chief Investment Officer (CIO) for the South Carolina Retirement System Investment Commission.

As CIO, he will develop and execute investment strategies for a \$26 billion retirement trust fund serving public employees in South Carolina.

Borden's tenure at LASERS has been

characterized by admirable fiscal discipline and extraordinary growth.

He guided the retirement system through four consecutive years of operating budget reductions.

At the same time, the retirement system trust fund has grown to amount to more than \$7 billion.

The LASERS investment portfolio ranks consistently as a top performer among public pension systems nationwide.

While LASERS will miss Bob Borden tremendously, we are grateful for his leadership, which has positioned us for continued phenomenal growth and performance in the years to come.

## Rougeou Is Named Director



Cynthia Y. Rougeou

Cynthia Y. "Cindy" Rougeou was selected by the LASERS Board of Trustees at its recent March Board meeting to be the new Executive Director.

She previously served as the agency's Deputy Director. Rougeou joined LASERS as Assistant Director for Operations in November of 2002.

Connie Carlton, LASERS Board Chair, said, "We are fortunate to be able to select someone from our talented staff. The Board is confident in Cindy's ability to lead the agency with her skills, knowledge and talent to enhance, streamline and modernize LASERS' retirement processing, customer service, information technology and staff performance."

Rougeou served as Deputy Director of the Louisiana Educational Television Authority from 1996-2002. From 1990-96, she was Undersecretary for Man-

agement and Finance in the Office of the Secretary of State. From 1988-90, she was Special Counsel to the Secretary of State and served as the Secretary of State's designee to the State Board of Election Supervisors.

Rougeou was also Legal Counsel for the Committee on House and Governmental Affairs of the LA House of Representatives from 1984-88. She entered State government in 1981, working as Assistant Attorney General with the LA Department of Justice.

Rougeou received her Juris Doctorate from LSU Law School in 1981 and is a graduate of McNeese State University. She is a member of both the Louisiana State Bar Association and the Baton Rouge Bar Association.

She is Past President of the Inter-Civic Council of Baton Rouge and Vice President of the Old State Capitol Associates Board. "I look forward to working with our talented staff to ensure continued progress in LASERS operations in an innovative, efficient and cost effective manner," said Rougeou.

## Annual Member Statements, 1099s

LASERS annual member account statements were mailed in March. Your statement documents all activity, as well as the status of your retirement account, for calendar year 2005.

LASERS mailed 1099 tax documents to members on January 13, 2006. If you have not received your 1099, please contact LASERS and they will mail a duplicate copy.

Contact LASERS also if you have any questions about the information contained in your 1099 tax document.

It is important to ensure that LASERS has your correct home address on file. If you have moved since your last statement, please submit a LASERS Change of Address form, which is available for download at [www.lasersonline.org](http://www.lasersonline.org). Please fill out the form completely, sign it and mail it to LASERS.

## Drop Interest

The rate of interest your DROP account will earn is equal to the actuarial rate of return on the system's investments for prior fiscal year minus 0.5%. The rate of return for the fiscal year ended June 30, 2005, is calculated and established by the system's actuary after the end of each fiscal year.

The Public Retirement Systems' Actuarial Committee (PR SAC) met and approved the rate set by the system's actuary.

Member's accounts will soon be credited with interest for each month of the fiscal year ended June 30, 2005, based on the balance in the account at the end of each month. The DROP Interest rate for FY 2004-2005 is 11.23 percent.

DROP interest rates are not guaranteed. Previous positive returns are neither indicators nor guarantees that DROP accounts will always earn these rates.

# Another LASERS Retiree's Success Story

Elaine Foreman, RSEA member from Lafayette, has another success story related to Social Security and WEP—or Windfall Elimination Provision.

She received a reduced Social Security benefit upon retirement in December, 1997, but she also had 10 years membership in LASERS but was not age 50. Thus, Social Security incorrectly applied the WEP and she received this lower benefit.

She had read articles in the Sept.-Dec. 01 *New Louisiana Voice* about Act 154 being incorrectly interpreted, followed by another article in January-April, 2002, and a story about Myrtle Pettit's victory with Social Security in the January-February-March 05 issue.

Foreman obtained retroactive Social Security benefits following her successful campaign to have the Windfall

Elimination Provision (WEP) removed. Her retirement was strictly from Social Security, but they arbitrarily and incorrectly calculated her benefit using the WEP formula. She then obtained a document from the Louisiana State Employees' Retirement System (LASERS) stating she was eligible to retire effective September 1, 1985.

(Under R.S. 11:272, WEP may be waived if a retirement system member on September 1, 1985, was eligible to retire on or before August 31, 1985.)

Following several contacts with the Social Security Administration over a four year period, she first had her SS benefit increased, but only retroactive to June, 2002, the date she originally filed for recalculation.

Noting that Myrtle Pettit's case was similar to hers, Foreman demanded a

hearing to investigate retroactive pay to her original retirement date. She made several visits to her local SSA office, after which a sympathetic claims representative sent her documentation to their Kansas City payment office for review in mid-2005.

Hurricanes Katrina and Rita resulted in Foreman putting her campaign with the Social Security Administration on hold. She was pleasantly surprised to receive a letter dated November 8, 2005, stating that her SS benefit had been raised back to December, 1997, to correct her benefit amount. Her next bank statement reflected a large SSA deposit.

Foreman concludes, "Thanks to the *New Louisiana Voice* and all the retirees who wrote to tell of their cases. I have received my 'just desserts.' How sweet it is!"

## Enjoy Direct Deposit with Your Monthly Benefit Check

LASERS strongly encourages every retiree to begin enjoying the benefits of Electronic Funds Transfer (EFT).

EFT, known also as Direct Deposit, is the most convenient, secure method of receiving your hard-earned retirement benefits.

EFT is mandatory for all LASERS members retiring after January 1, 2000. However, thousands of members who retired prior to that date continue to receive their checks by mail. Many of these retirees have experienced benefit disruptions that LASERS EFT recipients have not had to endure.

Consider these facts:

- ✓ In February, 2006, LASERS printed and mailed 7,579 paper benefit checks. Due to a postal service error, approximately 1,600 of these checks were lost in the mail or delivered late.
- ✓ In October, 2005, LASERS printed and mailed 7,448 checks. Of these,

350 were returned as "undeliverable" for various reasons.

- ✓ In September, 2005, immediately following Hurricane Katrina, LASERS printed 7,165 benefit checks. Due to the destruction caused by the storm, hundreds of postal ZIP codes were unable to receive mail. LASERS was unable to mail 2,156 benefit checks to retirees who desperately needed the money to begin rebuilding their lives. These members were able to retrieve their checks from LASERS headquarters, but for many, the delay served only to increase the financial and emotional stress caused by the storm.

Benefit disruptions such as these are extremely rare, but the risk of such delays is reduced, and in many cases eliminated, when you receive your benefit by EFT.

If you are ready to begin enjoying

the advantages of EFT, visit the "Forms" page at [www.lasersonline.org](http://www.lasersonline.org). Fill out the "Authorization for Direct Deposit" form completely, print it, sign it and mail it to LASERS.

Or, if you prefer, you can request the form from one of our helpful customer service representatives. In the Baton Rouge area, the number to call is 225-922-0600. Statewide, the toll-free number is 800-256-3000.

### Changes in Payment To Retiree/Beneficiary

By law, monthly retirement benefits stop upon the death of a LASERS member. Any payment delivered after a member's death must be returned to LASERS.

Your designated beneficiary may have certain benefit entitlements. Your beneficiary must apply to LASERS for benefits after your death before payments can begin.

## Office of Group Benefits Update

# Tommy Teague Returns to Lead OGB; Wall Retired from State Government



Tommy D. Teague

The Louisiana Office of Group Benefits (OGB) has a new Chief Executive Officer.

Tommy D. Teague has succeeded A. Kip Wall, who retired from state

government. Aubrey Temple, chairman of the OGB Policy and Planning Board announced that Teague was appointed to the position by Commissioner of Administration Jerry Luke LeBlanc, effective March 1, 2006.

Teague previously served in a number of leadership positions with the Louisiana State Employees Group Benefits Program (SEGBP), OGB's predecessor.

Since 1997, he has served as executive director of the Pennsylvania Employees Benefit Trust Fund, the largest health plan in Pennsylvania, which provides self-funded insurance cover-

age to 300,000 plan members and administers contracts with over 20 health plans.

Teague worked for or with SEGBP from 1980 until 1995 in progressively responsible positions as the agency's attorney, deputy director and acting executive director.

His principal duty from 1991 until his departure in 1995 was establishment of the PPO network of preferred health care providers still in place at OGB today.

The Office of Group Benefits provides health insurance and voluntary benefits to approximately 250,000 state employees and school workers in Louisiana. OGB's main office is in Baton Rouge.

The statewide agency also has field offices in Alexandria, Monroe, Lafayette, Shreveport, Lake Charles and New Orleans.

## In Memoriam: Ed Reed



Edwin L. Reed

On January 22, 2006, former RSEA lobbyist Edwin L. "Ed" Reed died following complications from heart disease.

Reed was a well-known author, bon vivant and political "kingmaker" from the old school.

Starting life as an orphan born in New Orleans, Reed reached national prominence following publication of his book, *Requiem for a Kingfish: The Strange and Unexplained Death of Huey Long*. Reed did not go along with the prevailing opinion that Long was killed by Dr. Carl Weiss. He ap-

peared on "Unsolved Mysteries" on National TV offering his take on the Huey Long demise. He also authored *Wet Graves, Hoodoo Men and Sharp Cats* and *Silver-Haired Cookery*.

Reed worked on the gubernatorial campaigns of Robert F. Kennon and Jimmie Davis, the latter for whom he served as Press Secretary. He also headed the state Department of Commerce and Industry before starting the Ed Reed Organization, a public relations and lobbying firm. The Louisiana State Nurses Association was another of his long-time clients.

Ed was a well-known political pundit, frequently appeared on radio, television and at various professional meetings spinning his tales of political intrigue.

(continued next column)

## 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.

Editorial office—1200 S. Acadian Thruway,  
Suite 213, Baton Rouge LA 70806  
800/256-1818-225/344-5448

FAX 225/344-7866

Web: [www.rseala.org](http://www.rseala.org)

Darlene Richard—Editor

Judy Calhoun—Editorial Assistant

Sue Ellen Lewis Scharein of

Rent-A-Writer/Purple Prose (Desktop Publisher)

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## In Memoriam: Ed Reed

(continued from previous column)

He started working with RSEA in the mid-1980's, joining together with LASERS to get legislation passed to create the Experience Account, from which retirees' cost of living (COLA) increases are now funded.

Reed is survived by his wife, Gladys Edwards Blieden Reed, three daughters, and numerous beloved grandchildren.

According to RSEA Office Manager Judy Calhoun (who was hired by Reed), "He had a good sense of humor, always had the retirees at heart, and worked hard for their benefit."