

~From the President~

Opportunities/Challenges



Connie Carlton

2007 brings us both opportunities and challenges.

No doubt we will have challenges during the next legislative session.

Attending RSEA's annual chapter meetings provides the opportunity to share information and plan strategies. Since many elected officials attend, we plan to inform them face-to-face of our viewpoints on passage of the proposed COLA and legislation that could potentially harm the financial soundness of our retirement system. I hope to meet as many of you as possible at these meetings.

It is time for us to prepare and send letters, faxes and email messages to legislators in support of the proposed COLA. We will keep you informed via our website (www.rseala.org) and through this redesigned newsletter. We hope you find the new format easy to read, user-friendly and informative.

We recently bid farewell to Judy Calhoun, longtime RSEA Office Manager. (See page 4.) Currently handling these duties is Paula Clark, a Dept. of Public Safety retiree. She will process dues payments and memberships.

You will have the opportunity to vote in the 2007 LASERS Board election for two retiree Trustees. The incumbents are Barbara McCann and myself. Traditionally, we have more retirees vote than active members. Continue to participate in this very important election.

I look forward to representing you this year as RSEA President.

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The New Louisiana Voice

Official Journal of the Retired State Employees Association of Louisiana

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Pictured are: (1st row, l-r) Anne Tillman, Cheryl Smith, Fern Foster, Connie Carlton, Joy Netherlin, Dianne Guillot, Russell Culotta and Frank Jobert. (2nd row, l-r) Darlene Richard, Barbara McCann, Sona Young, Marshall McKenzie, Allen Reynolds, Benny Harris and Louis Quinn.

2007 RSEA Board of Directors Is Seated

Connie Carlton, Baton Rouge, is the 2007 President of the Statewide RSEA Board of Directors. Connie retired as Assistant Director of the Louisiana State Employees' Retirement System (LASERS), and now represents retirees on their Board of Trustees. After retirement, she served as RSEA's Executive Director prior to the appointment of Darlene Richard. Other officers for 2007 are:

- Fern Foster, Lake Charles, 1st Vice President. Fern retired from McNeese State University, where she was Director of the MSU Bookstore, Post Office and Switchboard operations
- Kathy Singleton, Greensburg, 2nd Vice President. Kathy retired from the Amite Office of Community Services, Dept. of Social Services, where she was a Social Services Specialist
- Benny Harris, New Orleans, Secretary-Treasurer. Benny is the retired Warden, Bridge City Correctional Center for Youth, Dept. of Public Safety/Corrections
- Sona Young, Lake Charles, Immediate Past President. Sona is retired from the Regional Office of the Louisiana Dept. of Transportation and Development

All returning At-Large, Ex-Officio and Area chapter leaders were seated at the January meeting. Darlene Richard is RSEA Executive Director.

COLA Recommended for Second Consecutive Year

For the second consecutive year, the Board of Trustees for the Louisiana State Employees' Retirement System (LASERS) recommended a cost of living adjustment (COLA) for eligible retirees, survivors and beneficiaries.

This recommendation has been forwarded to the President of the State Legislative Senate and the Speaker of the Louisiana House of Representatives.

Based on returns for the year ending June 30, 2006, there are sufficient funds in the Experience Account (\$171,905,146) to provide a 3 percent COLA.

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Annual Meetings Scheduled for '07

Below is the schedule of the annual RSEA meetings for 2007. Be sure to mark your calendar now for these very important meetings. All times, dates and locations have been confirmed:

Shreveport - Tuesday, April 10, 2007, 10 a.m., La. Technical College, 2011 North Market St. Bldg. E, President: Marshall McKenzie, 318-797-4356

Monroe - Wednesday, April 11, 2007, 9:30 a.m., West Monroe Convention Center, 901 Ridge Ave., President: Dianne Guillot, 318-396-6275

Alexandria - Thursday, April 12, 2007, 10 a.m., Community Center, 708 Main Street, Pineville; President: Joy Netherlin, 318-640-2529

Acadiana/Lafayette - Friday, April 13, 2007, 10 a.m., Fezzo's, 100 Lions Club Road, Scott; Vice President: Cheryl Smith, 337-237-8364

Lake Charles - Tuesday, April 17, 2007, 10 a.m., Contraband Room, Lake Charles Civic Center, 901 Lakeshore Dr.; President: Fern Foster, 337-477-5250

North Shore - Thursday, April 19, 2007, 10 a.m., Bogue Falaya Room, Greater Covington Center, 317 North Jefferson; President: Kathy Singleton, 225-222-6567

New Orleans - Friday, April 20, 2007, 10 a.m., VFW Post #6640, 3314 Richland Ave, Metairie; President: Benny Harris, 504-888-7638

Baton Rouge - Wednesday, April 25, 2007, 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 updated your address, if you moved in the past several months.

COLA Recommended for Second Year

(Continued from Page 1)

The COLA, if approved by the Legislature will be effective July 1, 2007, subject to the one year receipt of benefits restrictions described below. The one year restrictive period begins July 1, 2006.

- All retirees who have attained the age of 55 and who have received a benefit for at least one year;
- 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; and
- All disability retirees, or benefits based on a disability retiree's death.

The percentage of each recipient's cost-of-living increase shall be based on the first \$82,059 of the annual benefit, and increases in the consumer price index for previous years.

This recommendation goes to the State's Public Employee Retirement System Actuarial Committee, known as "PERSAC", and if endorsed by them, is forwarded to the Louisiana State Legislature for approval during the upcoming legislative session scheduled for April 30, 2007 to June 28, 2007.

Connie Carlton, 2007 RSEA Board President, emphasized that COLA passage is a top RSEA priority. **In addition, it is critical that all retirees contact their state senators and representatives and urge approval of the proposed COLA.**

For a list of legislators you may visit our website, www.rseala.org/news/ or contact the RSEA office at 1-800-256-1818 or in Baton Rouge-344-5448.

Special Monroe Chapter Meeting Is Held

A special meeting of the Monroe Chapter of the Retired State Employees Association (RSEA) was held on September 7, 2006 at the request of Senator Walter Boasso. Senator Boasso serves as Vice-Chairman of the Louisiana Senate Retirement Committee.

In the meeting, Senator Boasso discussed past and future retirement legislative initiatives. He pleaded with all retirees to support lawmakers in their effort to pass legislation to reduce the state's retirement system debt.

During the 2006 regular legislative session, Senator Boasso and other legislators were not able to help the ailing public employee and teacher retirement systems. Senator Boasso's legislation would have required the state to commit more money toward paying down the retirement systems' debt to ensure their solvency. Boasso also proposed a bill that would have prohibited passage of any retirement legislation providing new or enhanced benefits, unless a funding source was dedicated to the cost of the proposed legislation. Many times, legislation is passed without the proper funding which adds to the retirement system debt. Unfortunately, this bill also failed.

Senator Boasso told RSEA members that he will reintroduce these two bills in the 2007 regular legislative session. He said that in order to pass these bills, all retirees need to contact every legislator they can and demand they support it. In addition to Senator Boasso, Representative Kay Katz and Representative Charles McDonald were in attendance at the meeting and indicated their support of the proposed legislation.

Legislative Status: Drug Reimportation

from Senator David Vitter's Office

Each year, millions of Americans who cannot otherwise afford their prescriptions import U.S. Food and Drug Administration (FDA) approved prescription drugs at significantly lower prices than they would otherwise obtain in the U.S.

FDA and U.S. Customs and Border Protection (CBP) policies have limited the ability of American consumers to purchase legally-prescribed medications from these foreign sources. Enactment of the FY 2007 Homeland Security Appropriations Act prohibited CBP from using funds to stop personal-use importation of prescription drugs. This provision did not extend to the FDA, which still prohibits the reimportation of legal prescription drugs through mail order and the Internet.

Senator Vitter's Recent Efforts:

- On July 11, 2006, the Senate passed the Vitter-Nelson Amendment to Homeland Security Appropriations by a vote of 68-32 which prohibited the CBP from using funds to prohibit individuals from importing personal use only prescription drugs carried on their person from Canada. President Bush signed this legislation into law (P.L. 109-295) on October 4, 2006.
- On November 15, 2006, Senator Vitter filed another drug reimportation amendment, this time to H.R. 5384, the annual agriculture appropriations bill. The amendment would prohibit the FDA from stopping reimportation of drugs through the mail and Internet by individuals from Canada.
- This amendment will extend the CBP funding prohibition (allowing Americans to bring back prescriptions for themselves from Canada) to the FDA as well, which would allow for personal reimportation through mail order and the Internet.
- Debate on the legislation was not completed, and unfortunately the Senate did not call up the amendment. Senator Vitter will file this amendment again when this bill is up next for debate.

Outlook for 2007:

Senator Vitter will continue to work with his colleagues in the Senate and U.S. House in 2007 to pass comprehensive drug reimportation.

Currently, due to efforts led by Senator Vitter, Americans may bring a 90-day supply of medicine for which they are prescribed from Canada carried on their person. Unfortunately, the law does not extend to receiving pharmaceuticals through mail order or ordered online. Because it is difficult for Louisiana's seniors to physically travel to Canada to buy cheaper prescription drugs, Senator Vitter is fighting to allow mail order and Internet.

Stand-alone prescription drug legislation was not debated in the Senate this year. Senator Vitter looks forward to a full debate. Comprehensive legislation is necessary because the current law, passed by the Vitter-Nelson Amendment to the 2007 Homeland Security Appropriations bill, expires October 30, 2007.

The amendment is a big step forward, but without passage of a full bill, which would set up a legal and regulator framework to allow drug reimportation (which would be overseen by the FDA), there will continue to be hurdles for Americans seeking less expensive medicine. **It is important to contact all members of your Congressional delegation and urge their support when a full bill is introduced.**

Emergency Volunteers Needed by Red Cross

Here is an opportunity for you to provide a critical service to your community.

The Southeast Louisiana Chapter of the American Red Cross is actively seeking volunteers, specifically in the area of emergency services. Help is needed in responding to local disasters, educating the community on disaster preparedness, and recruiting new volunteers as well as in countless other areas.

Retired public servants have long been an important source of volunteers for the Red Cross. Since Hurricane Katrina made landfall, the active volunteer base of the Southeast Louisiana Chapter has declined by about 80%. Staff and volunteers alike have worked tirelessly to rebuild the local chapter, but there is still a dire need for volunteers.

Any contribution of time is greatly appreciated. The Red Cross is committed to helping bring the gulf coast back stronger than ever and needs your help. Whether you have four hours or 20 hours to give each week, the Red Cross can find an enjoyable and rewarding job for you.

The Southeast Louisiana Chapter serves 12 parishes: Assumption, Jefferson, Lafourche, Orleans, Plaquemines, St. Charles, St. John, St. Mary, St. Tammany, Tangipahoa, Terrebonne and Washington.

To volunteer with the Southeast Louisiana Chapter of the American Red Cross, please contact Patsy Alston at 504-620-3108 or by email at palston@arcno.org. For more information, check the chapter website at www.arcno.org. If you live outside of this area, but are interested in helping out the Red Cross, please find your local chapter and inquire about volunteer opportunities that are available.

Tillman Appointed 'At Large' Member



Anne Tillman

RSEA's statewide Board of Directors appointed Anne Tillman of Baton Rouge as an 'At-Large' member.

She grew up in Metairie and received a Bachelor

of Arts degree in art history from LSU. She worked for 18 months in the burgeoning bank credit card industry. Later, after a few years at home caring for her family, she found herself in the job market with two young children to support.

She went to work for the Dept. of Corrections Human Resource Office in 1978. Tillman related, "The work was varied and challenging, and I was fortunate to have the experience in several different positions. I worked my way higher into that organization, eventually becoming a Human Resource Manager with the responsibility for employee benefits and operations. In September of 1998, I became Human Resources Director for the Dept. of Natural Resources."

During the course of her career in state service, she took advantage of training and development opportunities offered by human resource organizations. She has been active in the State Human Resource Managers Association (SHRMA), and served as president for five years. Tillman also chaired the Louisiana State Personnel Council and worked on various ad hoc committees for human resource program initiatives on a departmental and a statewide level.

She said, "I especially enjoyed my work with employee benefits, one of which was retirement. I worked in this area of human resources for more than 20 years. Each employee's unique

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Great West Retirement Services

Pension Protection Act

(Editor's Note: Please see the related story from LASERS on the next page.) The Pension Protection Act of 2006 (PPA) was passed earlier this year. Listed below are two features that may be of interest to retirees:

Expanded Benefits for "Non-Spouse" Beneficiaries

The PPA includes a provision allowing non-spouse beneficiaries to roll over retirement benefits to an inherited IRA for distributions made after December 31, 2006. This provision allows the transfer of a participant's retirement account to a non-spouse beneficiary (domestic partner, sibling, parent, child, etc.) when the participant dies.

The surviving domestic partner or other non-spouse beneficiary will now be able to directly transfer the participant's account into an inherited Individual Retirement Account (IRA). The non-spouse beneficiary will still be required to take distributions over his or her life expectancy, pursuant to the required minimum distribution rules for beneficiaries.

Prior to the PPA, non-spouse beneficiaries were usually forced to take the participant's entire account balance within five years of the participant's death. State laws may have some impact, particularly in states where state law provides for Domestic Partner benefits. Since this is a major change from current law, Great West will be addressing this subject (Domestic Partner and Non-Spouse beneficiaries) as more information is available about the new law.

Tax-free IRA Distributions for Charitable Giving

IRA owners who are at least age 70 1/2 may make tax-free distributions of up to an aggregate of \$100,000 from his or her IRAs during 2006 and 2007 if the distribution is made directly payable to a charitable organization. This rule does not apply to distributions from SEP-IRAs or SIMPLE-IRAs.

If you have additional questions, please contact Connie Stevens, Senior Account Executive with Great West Retirement Services at 225-926-8086 x1001, or Jennifer Ballard, Account Executive with Great West Retirement Services at 225-926-8082 x1009.



Judy Calhoun

Farewell to Judy Calhoun, RSEA Office Manager

Judy originally started at RSEA as a 'temp'. After being hired full-time, her duties expanded to include RSEA's financial responsibilities and running the office. When the newsletter grew to *The New Louisiana Voice*, she learned desktop publishing, including the RSEA cookbook.

"All these duties were new to me, but helped me grow as RSEA grew," Judy stated. "After 10 years, I handled the entire office when the Executive Director left. With the new Director, came relief and new direction. We were able to build on a solid base and move forward. Many of the processes I helped develop are still being used. I will miss talking to my 'retiree friends'. This I will leave behind, but look back on with mixed memories, as I move on to enjoying my 'Golden Years'," she concluded.

Thank you and best of luck, Judy, for all your hard work and devotion to RSEA.

Louisiana State Employees/ Retirement System (LASERS) Update

Federal Pension Protection Act

The federal Pension Protection Act (PPA) of 2006, signed into law by President Bush in August, mostly affects private retirement funds and their members. However, certain provisions of the PPA are relevant to public pension systems, including LASERS.

According to LASERS Executive Counsel Sonia Mallet, Section 828 of the PPA affects LASERS members who are qualified public safety employees who separate from service at age 50 (changed from 55). The Act makes these members exempt from a ten percent tax penalty for disbursements that begin after August 17, 2006. The PPA defines *public safety employee* as someone who provides police protection, fire fighting services, or emergency medical services within the jurisdiction of a state or political subdivision. Employees providing police protection include correctional officers, wildlife agents, bridge police, public safety officers, and peace officers.

Beginning in 2007, an eligible retired public safety officer can make a tax-free distribution of up to \$3,000 per year to providers of accident, health or long-term care insurance. Retirees eligible to participate under this provision include correctional officers, wildlife agents, bridge police, public safety officers, and peace officers, in addition to judicial officers who at the time of retirement are a part of the criminal or juvenile adjudicative process, including judges and other court officers.

The PPA permits trustee-to-trustee rollovers of retirement funds to Roth Individual Retirement Accounts made after December 31, 2007. In the case of non-spouse beneficiaries, the PPA allows tax-free rollovers to an IRA. Protected distributions must be made after December 31, 2006.

Investments & Trust Fund Growth

In the fiscal year ended June 30, 2006, the LASERS investments portfolio delivered overall returns of 11.9 percent. This exceeds the actuarially expected minimum return of 8.25 percent. This outstanding performance helped to boost the value of the LASERS trust fund to \$8 billion for the first time in history. The trust fund is the source of the benefits that LASERS pays to its retirees and their beneficiaries.

The phenomenal growth of the LASERS portfolio allowed the Board of Trustees to grant in 2006, with legislative approval, a 2.4 percent cost-of-living adjustment (COLA) to the pensions of eligible retirees. In some cases, a LASERS pension is the only thing keeping retirees from living in poverty. With at least 75 percent of LASERS retirees living in Louisiana, this means that \$490 million of total payouts continue to have a significant economic impact in our state and hometown communities.

DROP/IBO Withdrawals

If you are a Deferred Retirement Option Plan (DROP) or Initial Benefit Option (IBO) account holder, federal law requires you to make a withdrawal from your account upon reaching the age of 70^{1/2}. DROP and IBO disbursements are subject to federal income tax in the year that you receive them.

IRS rules and schedules for withdrawal of funds have changed over time. Please consult the IRS and LASERS websites to stay up-to-date on any and all changes to the laws governing your pension accounts.

Retiree 'Self-Service'

Very soon, LASERS retirees will find that their personal online retirement account information will become much easier to access from their home computers.

As a result of LASERS new computer system, the "Retiree Self-Service" program will make it possible to view as well as change and update personal tax withholding, mailing address, and contact information. LASERS retirees will also be able to request income verifications for their personal business transactions.

LASERS Retiree Self-Service will require the creation of new user IDs and personal identification numbers (PINs). All existing logins will expire when the new system goes online. Creating a new login and password will be done easily by following several steps that will include entering the retiree's Social Security Number, date of birth, and the net amount of their last monthly benefit, available from the last monthly check stub, or on the LASERS monthly deposit on the retiree's bank statement.

LASERS Retiree Self-Service will be a more convenient and efficient way for retirees to keep their records updated. LASERS Member Services Representatives are happy to answer questions. Call 225-922-0600 (Baton Rouge) or toll free, 800-256-3000.

Anne Tillman Appointed to Board

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situation when preparing for retirement, together with the changing retirement laws, presents a challenge to assist with understanding the process. Being able to help just one person at a time brings its own reward and builds a career over a lifetime."

"I look forward to my participation in RSEA and I am grateful for the confidence the organization has placed in me," Tillman concluded.

Office of Group Benefits Update

Knowledge Can Result in Better Living

The more information you have on health care, the better your health care decisions will be. Your colleagues at the Office of Group Benefits want you to be aware of the some of the resources that could be helpful to you and your family. You might want to clip and save this brief listing of contacts:

National Institute on Aging (NIA)
800-222-2225, www.nihseniorhealth.gov

AARP/Driver Safety Program
888-687-2277, www.aarp.org

NIA Alzheimer's Disease Education
800-438-4380, www.alzheimers.org

National Institute of Mental Health
866-615-6464, www.nimh.nih.gov

Nat'l Library of Medicine/MedlinePlus
888-346-3656, www.medlineplus.gov

National Association for Continence
800-252-3337, www.nafc.org

Medicare
800-633-4227, www.medicare.gov

Eldercare Locator Service
800-677-1116, www.eldercare.gov

Health and Well Being: Retirement Lifestyle

(Editor's Note: Second of two articles on ways to enhance and better enjoy your retirement.)

Be Active. Regular physical activity is necessary for a full and healthy lifestyle. Unfortunately, most people tend to exercise less as they get older. It has been said the body is the only machine that breaks down from lack of use. People too readily accept that aging implies getting slower, putting on weight, becoming less fit and having blood pressure problems. Decline is due more to physical disuse rather than aging, which can lead to a loss of independence and a substantial loss of quality in your retirement lifestyle.

Determine which type of exercise you enjoy – such as swimming, cycling, health/fitness classes, Tai Chi, or gardening. For many older people, the best and safest choice is walking. If you are unfit, overweight, or not accustomed to regular activities, check with your physician before starting a new routine.

Enjoy healthful eating. Select foods you enjoy and provide the nutrients you need for good health. Eat a variety from all the food groups. Focus on whole grain products, vegetables and fruits, with moderate amounts of meat and other protein-rich foods and milk products, and small amounts of oils and fats.

Reduce salt intake, using other flavorings instead, and avoid processed foods. Consume only small amounts of alcohol. Drink 8 glasses of water daily.

Maintain close relationships. Develop or renew close personal relationships. You now have more time to devote to family members. Recognize the changing needs in your relationship with your partner. If single, expand and strengthen your friendships. Being part of a community is a vital part of healthy aging. Share activities. Try new ones.

Most of all, enjoy these years. Expand your horizons. Be happy and content.

The New Louisiana Voice

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