

CITATION

The Newsletter of the Municipal Police Employees' Retirement System
February 2010

STATUS OF COLA'S

The provisions of Act 256 of the 1986 regular session prohibit the Board from granting a cost-of-living adjustment unless the system has met the funding target that is specified in the Act. The system experienced a negative return on investments and the funding decreased to 65.235%, the statutory target ratio of 94.938% which is required by Act 256 was not achieved. For this reason, **the Board is specifically prohibited from granting a cost-of-living adjustment for 2010.**

INTEREST ON DROP ACCOUNTS July 1, 2008 thru June 30, 2009

For any individual who was eligible to participate in the DROP prior to January 1, 2004 and has completed participation, the DROP account shall earn interest equal to one-half of one percentage point below the rate of return of the system's investment portfolio. The system's actuary certified that the DROP interest rate is 0.00% due primarily to the decline in the investment markets. The system identifies these individuals as D 1's.

For any individual who became eligible to participate in the DROP on or after January 1, 2004 and has completed participation, the DROP account shall be placed in liquid asset money market investments. Money market DROP accounts are managed by the Louisiana Asset Management Pool (LAMP). Information on rates of return on LAMP accounts can be found at www.lamppool.com. Individual account information CANNOT be obtained from LAMP or www.lamppool.com. The system identifies these individuals as D 2's.

For any individual who became eligible to participate in the DROP on or after January 1, 2004 and has completed participation and made an irrevocable election to have your DROP account earn interest based on the MPERS investment portfolio rate of return less one-half of one percent, as certified by the system's actuary. In the event the system's overall investment portfolio rate of return is less than a positive one-half of one percent, or a negative earnings rate, your DROP account balance will be permanently reduced as a result of the devaluation of system assets.

The actuary certified that the interest yield on the system's investment portfolio for the period July 1, 2008 thru June 30, 2009 was -16.71%. Therefore, interest at the rate of **-17.23%** has been debited to individual DROP account balances of those persons who terminated participation in the DROP prior to July 1, 2009. The system identifies these individuals as D 3's.

2009 Legislative Update

- Act 270 Allows the retiree to select a retirement option that would provide for automatic cost of living adjustments subject to an actuarial reduction of benefits. Effective July 1, 2009

- Act 300 Provides for an initial benefit option on a reemployed retiree's additional retirement benefit if the reemployed retiree had never participated in DROP prior to original retirement. Effective July 1, 2009

Board of Trustee Update

- Chief Tom Buell retired from the Mandeville Police Department effective January 1, 2009. Chief Buell served as Trustee from July 1993 thru December 2008. Chief Stephen Caraway, Kenner (Chiefs District II) was elected on April 1, 2009 to fill Chief Buell's unexpired term.
- Chief Mike Halphen, Bossier City (Chiefs District I) resigned from the Board effective March 2009. Chief Halphen served as Trustee from January 2002 thru March 2009. Chief Ron Schleuter, Monroe (Chiefs District I) was elected June 2009 to fill Chief Halphen's unexpired term.
- Chief Jeff Wesley retired from the Denham Springs Police Department effective August 30, 2009. Chief Wesley served as Trustee from April 1995 thru August 2009. Chief Dwayne Munch, Westwego (Chiefs District II) was elected to fill Chief Wesley's unexpired term.
- Sgt. Sammy Wyatt, Bossier City resigned from the Board effective October 10, 2009. Sgt. Wyatt served as Trustee from July 2006 thru October 10, 2009. Cpl. Mark Huggins, Monroe (Non Chief District II) was elected to fill Sgt. Wyatt's unexpired term.

Projected Employer Contribution Rate
July 1, 2010 – June 30, 2011

Although the official **employer contribution rate** for the fiscal year July 2010 – June 2011 will not be approved by the Public Retirement Systems’ Actuarial Committee for a few months, this correspondence is sent to advise that the current rate of 11% will be **increased to 25%** as recommended by the system’s Actuary. There is no change to the employee contribution rate which is set at 7.5%.

2010 Board Meeting Schedule

January 20	July 21
February 24	August 18
March 17	September 21*
April 21	October 20
May 19	November 17**
June 16	December 15

Meetings are scheduled to begin at 9:00 a.m. and are held at the MPERS building in Baton Rouge unless otherwise noted. Above dates and times are subject to change, please check the website or call the retirement office.

*Meeting will be held in New Orleans
 **Meeting will be held in Bossier City

2010 Mailing Dates for Benefit Checks

<u>Mail Date</u>	<u>Direct Deposit Date</u>
December 31	January 4
January 29	February 1
February 26	March 1
March 31	April 1
April 30	May 3
May 28	June 1
June 30	July 1
July 30	August 2
August 31	September 1
September 30	October 1
October 29	November 1
November 30	December 1

Benefits are paid in advance on the first business day of every month.

KEEPING RECORDS CURRENT

The system strongly urges all members to keep their retirement records current by insuring that MPERS has your correct beneficiary and present mailing address.

<<<REMINDER>>>

If you plan to visit MPERS office for retirement counseling, please call to make an appointment to insure you will receive all information needed.

BOARD OF TRUSTEES

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Sgt. (Ret.) Larry Reech, New Orleans

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