

THE PROSECUTION RESTS

NEWS AND INFORMATION ABOUT DARS

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DARS CHAIRMAN FALTERMAN: COLORFUL & DEDICATED



Anthony G. "Tony" Falterman served as District Attorney for the 23rd Judicial District for 18 years before retiring in 2009. He was elected over an incumbent DA from a family that had held the office for nearly a century. Falterman had previously served as Assumption Parish Sheriff, one of the 3 parishes that comprise the 23rd Judicial District for 14 1/2 years.

Tony is known for his early hours and, as DA, often met with constituents from 4:30 a.m. until mid-morning. He was and is a fast-moving, high-energy personality with a keen sense of humor, and a strong work ethic. He is also an avid outdoorsman who revere his wife, Jenny, and his Irish Terrier, Eagan (He would say, "Not necessarily in that order"). No one, however, should misread his sometimes irreverent manner. Chairman Falterman is serious about his fiduciary responsibility and all DARS matters.

Tony has been on the DARS Board since 1999, and took over as Chairman in 2007 upon the retirement of long-time Chairman Ed Ware. Tony spends much of

his time each day researching the markets and monitoring DARS investments. He was recently elected to a new 5-year term.

WHERE IS OUR MONEY INVESTED?

The DARS Board of Trustees is responsible for prudent management of the system's assets. This includes investment decisions made with a fiduciary obligation to the system and its members. To accomplish this effectively, all public employees' retirement systems employ and rely to some extent upon an institutional investment consultant. These consultants are experts in asset management and are held to accepted fiduciary, performance, and ethical standards that are common throughout the industry.

Prudent asset management includes investment diversification and strategic decision-making skills that may be lacking in all but few who are experts in financial matters. The investment consultant's responsibility is to provide both education and alternative strategies for the trustees, such that, through time and experience they become better equipped to make these decisions.

The DARS Board and our current investment advisor, Level Four Consultants, have diversified our assets across the domestic and international markets. Overall, the DARS portfolio has

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experienced positive growth for the last several years, growing steadily from \$246 million at the end of fiscal year 2012 to roughly \$380 million today. System assets are diversely invested across fixed income, equity, alternative investments (such as real estate investment trusts, and master limited partnerships) as well as cash. The long-term target return rate for our investment strategy is 7%. To accomplish this, we periodically adjust our investments within our diversification benchmark allocations of 45-65%

equity; 25-55% fixed; and 5-15% alternative. Within each of these categories there is also further diversification to avoid correlated risk against economic and market volatility.

WHAT IS LAPERS?

The Louisiana Association of Public Employees Retirement Systems is a politically non-partisan, voluntary, non-profit association interested in bringing together individuals employed by state, statewide. And local public employees' pension plans to provide a forum for the exchange of information, ideas and experiences related to public retirement issues.

LAPERS membership is comprised of 19 member systems which represent more than 358,000 employees and retirees and manage more than \$40 billion in assets. DARS has been active in LAPERS since its founding in 1985. DARS Director E. Pete Adams is a past-president of the group.

The LAPERS annual seminar, held in September, provides continuing education hours for the Trustees for each of the systems. Each Trustee must complete a mandatory minimum of ... continuing education hours each year. The seminar and other association services also help to identify and resolve issues facing member-systems.

HOW SAFE IS MY RETIREMENT?

A DARS member becomes "vested" upon completing 10 years of creditable service. Accomplishing this means, after meeting certain age requirements, you will be entitled to a benefit. Many members who have vested are rightfully concerned about the financial stability of the system and its future ability to pay their benefit.

While no system, even Social Security, is absolutely immune from world and economic catastrophes, DARS is one of the strongest and most well-funded among the 19 systems that comprise LAPERS. Each system employs an Actuary who is charged with the responsibility of monitoring and advising the Board of Trustees concerning the financial health and funding status of the system. The actuaries prepare an annual evaluation of the assets (including contributions, investment returns, and other income) and liabilities (including current and future benefits and costs). This evaluation enables the trustees to adjust contribution rates and investment strategies to meet funding goals.

A rough measure of funding status is the employer contribution rate. Since this rate is more easily adjusted, it is a barometer of a system's funding health. The Public Employees Retirement Systems Actuarial Committee (PERSAC) meets each spring to study the evaluation reports and set this rate. Generally, an under-funded system will have a higher employer contribution rate. Currently, DARS has a "Zero" contribution rate.

A second rough measure of funding health is our ratio of the "Actuarial Value of Assets" to our "Actuarial Accrued Liability" (i.e.- how much we have vs. how much we owe). Our most recent actuarial report shows DARS to be nearly 100% funded at 97.24%.

Most other LAPERS systems have double digit employer contributions and much lower funding ratios. In summary, your benefits are safe with DARS.

WHAT ARE THE SERVICE AND AGE REQUIREMENTS

FOR NORMAL (FULL) RETIREMENT?

There are three categories of service and age requirements for normal retirement benefits pursuant to R.S. 11:1633: (1) 30 or more years of creditable service at any age; (2) at least 24 (but less than 30) years of creditable service at age 55; and (3) at least 10 (but less than 24) years of creditable service at age 60.

WHAT ARE THE SERVICE AND AGE REQUIREMENTS FOR EARLY RETIREMENT?

Any member that has completed at least 18 years of creditable service and is at least 55 years of age is eligible for an early retirement benefit under R.S. 11:1633(A)(2). Monthly benefits are reduced when a member retires early.

IF I DIE IN ACTIVE SERVICE, WILL MY SPOUSE OR CHILDREN RECEIVE A BENEFIT?

Maybe. If an active member dies with at least five of creditable service, but was not otherwise eligible to retire, their spouse or minor children may be entitled to a benefit. If the member has less than five years of service, employee contributions will be refunded. See R.S. 11:1636 for details.

A LOOK AHEAD

Future issues will address topics such as BACK-DROP and benefit option factors. If you have a topic you would like to see discussed, please email DARS at PETE@LDA.A.ORG.

LEARN MORE ABOUT DARS AT WWW.LADARS.ORG.