

REDLINE REPORT

Volume No. 2
February 2025

From the Editor:

Welcome to Volume No. 2 of the Redline Report! If you want to be featured in future publications, please email frs@lafrs.org and submit your photos! RB

BREAKING NEWS

FRS will be sending an envelope with the Election Ballot to our Retired Members. The letter, marked IMPORTANT, is in regard to the upcoming Retiree seat on our Board of Trustees. We would like to remind our retired members not to throw away the ballot correspondence and return the self-addressed envelope to EisnerAmper.



Please note that the February 1 and March 1, 2025, benefit payments fall on a Saturday, which could affect receipt of your funds. FRS sends direct deposits to your bank or credit union so that they are available on the first business day of the month. Be aware that if the first falls on a weekend or holiday, funds may not be available until the following business day. In the event that the funds are not in your account, contact your financial institution directly for information on when your funds will be made available to you. That decision is made by your financial institution, not FRS.



3 Items affecting your net retirement benefit in 2025:

1. Tax Table Updates: IRS tax tables are updated on an annual basis affecting the taxes withheld from your monthly benefit.
2. Insurance Premium Changes: Premium changes to health, dental, or vision insurance can change your monthly deductions. If you have any questions regarding changes in your insurance deductions, please reach out to the employer who handles your insurance premiums.
3. Monthly Federal Tax Exclusions: If you were an active contributing member in the year 2005 or earlier, then you have post tax contributions on account with FRS. These post tax contributions have already been taxed and therefore cannot be taxed again. A monthly excludable portion is calculated using an IRS derived formula. Your monthly excludable portion will be reflected on a monthly basis in your net benefit as opposed to being trued up at year end.



FRS Portfolio interest for the fiscal year, July 1, 2023 – June 30, 2024, was 10.4%. This will be reflected in your DROP statements as a 6/25/2024 interest entry.



FIREFIGHTERS' RETIREMENT SYSTEM

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From the Chairman:

The Social Security Fairness Act of 2023 became law on January 5, 2025. The bill was introduced by Representative Garret Graves in January 2023 and changes the social security benefits payable after December 2023. The Social Security Administration has published information on their website (ssa.gov) that the agency is evaluating how to implement the Act and will provide more information as soon as available. Congressman Graves worked tirelessly to push this legislation over the finish line. He and other members of our Congressional delegation deserve our thanks and appreciation for their efforts to help so many of our Louisiana public servants who have been penalized for years. We will continue to monitor information regarding the timing and implementation of this Act and publish it on our website (lafrs.org) as updates become available. The Social Security Administration has a list of questions and answers through February 3, 2025 on their website: <https://www.ssa.gov/benefits/retirement/social-security-fairness-act.html>

INVESTMENTS UPDATE:

Market Update (June 2024- December 2024)

The FRS portfolio return estimate for the first six months of the fiscal year is 3.3%. Although inflation is still above target, it has slowed down significantly from its high. This has enabled the federal reserve to cut the federal funds rate by 1% since June. Economic growth and labor market strength have continued, driving up longer term interest rates more recently. As a result, the FRS portfolio experienced a very strong first quarter but pulled back some in the second quarter.



HB 253, now Act 554 passed in the 2024 legislature which provides that municipalities, cities, and fire districts will have to provide cancer screenings for active and retired firefighters across the state of Louisiana beginning in 2025. These screenings will cover the following: organs, colon, lung, bladder, oral, thyroid, skin, blood, breast, cervical, testicular and prostate. The details of this legislation can be found on the Louisiana legislative website www.legis.la.gov. For additional information, contact your fire department or Union representative.

FRS would like to welcome our newest Trustee!

Terry Stuard is joining our Board of Trustees from St. Tammany Fire District #12. He has been in the fire service since 1992 and graduated from LSU Eunice in 2006 with an Associate of Applied Science degree in Fire and Emergency Services. Currently, Terry has been Fire Chief for FD12 since 2018 and is also a member of the Louisiana Fire Chief's Association.



From the Director:

During the 2024 Regular Session of the Louisiana Legislature, Speaker Pro Tempore Mike Johnson authored HB 268 which later became Act 495. This bill pertained to public records and provisions relating to the confidentiality of records. This law specified that certain items in the personnel records of a public employee of any public body are confidential. The list of items includes: home address, home and personal wireless telephone numbers, personal email address, financial information and medical records.

The confidentiality of these records applies to the Firefighters' Retirement System, and we work diligently to protect your information.



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3100 Brentwood Drive

FIREFIGHTERS' RETIREMENT SYSTEM

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From the BENEFITS DEPARTMENT:

Retirement Option Explanations

Maximum Benefit: is the result of the retirement formula. The Maximum Plan pays the largest monthly benefit the retiree is eligible to receive but makes no provision for any benefits to continue to a beneficiary after the retiree's death. Under the Maximum Plan, all benefits cease upon the death of the retiree.

Option 1 (Contribution Guarantee): pays a lump sum refund of the unused portion of the retiree's accumulated contributions to the named option beneficiary upon the retiree's death. The named option beneficiary may be changed by the retiree after the date of retirement/DROP entry.

Option 2 (100% Joint & Survivor): pays the same monthly benefit for life to the named option beneficiary after the death of the retiree. The benefit is based on the age of both the retiree and beneficiary at the time of retirement/DROP entry and may not be changed after retirement/DROP entry.

Option 3 (50% Joint & Survivor): pays 50% of the retiree's monthly benefit for life to the named option beneficiary after the death of the retiree. The benefit is based on the age of both the retiree and beneficiary at the time of retirement/DROP entry and may not be changed after retirement/DROP entry.

Option 4.2 (100% Joint & Survivor w/ Pop-Up): is a reduction to the Option 2 benefit. This option pays the same monthly benefit for life to the named option beneficiary after the death of the retiree. However, if the named option beneficiary predeceases the retiree, the retiree's monthly benefit will covert/pop-up to the maximum benefit. The benefit is based on the age of both the retiree and beneficiary at the time of retirement/DROP entry and may not be changed after retirement/DROP entry. The named option beneficiary is limited to a member's spouse, a member's permanently mentally or physically disabled child or children and/or a member's dependent minor child.

Option 4.3 (50% Joint & Survivor w/ Pop-Up): is a reduction to the Option 3 benefit. This option pays 50% of the retiree's monthly benefit for life to the named option beneficiary after the death of the retiree. However, if the named option beneficiary predeceases the retiree, the retiree's monthly benefit will covert/pop-up to the maximum benefit. The benefit is based on the age of both the retiree and beneficiary at the time of retirement/DROP entry and may not be changed after retirement/DROP entry. The named option beneficiary is limited to a member's spouse, a member's permanently mentally or physically disabled child or children and/or a member's dependent minor child.

Option 4 (Specialized Option): calculated specifically for the member based on their specific instructions as to how the future benefits are to be disbursed after the death of the retiree. The value of all benefits provided under this option must be actuarially equivalent to the value of the benefit provided under the Maximum Plan. The benefit or benefits must be certified by the actuary and approved by the Board of Trustees. The named option beneficiary is limited to a member's spouse, a member's permanently mentally or physically disabled child or children and/or a member's dependent minor child.





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