

Proposed law changes the present law authorization to a mandate.

Proposed law provides for transfer of DROP and IBO accounts to a self-directed program established under present law. Provides for all accounts not receiving earnings at the rate the system earns to be transferred to the Stable Value Fund of the self-directed program as soon as practicable after June 30, 2019. Further provides for participants with accounts that are receiving earnings at the rate the system earns to elect to transfer their accounts to the self-directed program.

Proposed law specifies that all future lump-sum accounts shall be transferred to the Stable Value Fund of the self-directed program for investment.

Proposed law, applicable to MPERS only, provides for compliance with the Internal Revenue Code regarding the distribution of DROP account funds after the death of the participant.

ALL SYSTEMS:

For all three systems, proposed law provides waivers of liability that a self-directed plan or program participant agrees to when he elects participation in such plan or program. Such waivers include:

- (1) That the benefits payable from the self-directed account are not the obligations of the state or the system.
- (2) That the participant and the selected third-party provider bear all liability and responsibility for returns and other rights under the account.
- (3) That the participant waives his constitutional guarantees of payment and protections against diminished or impaired benefits.
- (4) That the participant and the third-party provider bear all responsibility for complying with applicable I.R.S. provisions and regulations.
- (5) That the state and the system and all agents of the state and the system are not liable for choices the participant makes as to his investments.

Effective June 30, 2019.

(Amends R.S. 11:1152(F) and (G), 1312.1(D)(4), 2220(A), and 2221(F) and (H) through (L); adds R.S. 11:1312.1(E) and 2221(G) and (N))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Retirement to the original bill

1. Adds LSERS to the bill.