

Regular Session, 2010

HOUSE BILL NO. 225

BY REPRESENTATIVE LABRUZZO

RETIREMENT/STATE EMPS: Relative to the La. State Employees' Retirement System (LASERS), allows a retiree to designate a trust as beneficiary of retirement benefits

1 AN ACT

2 To amend and reenact R.S. 11:446(B) and to enact R.S. 11:446(G), relative to the Louisiana
3 State Employees' Retirement System; to allow for the designation of a trust as a
4 beneficiary of retirement benefits; to allow for a change in beneficiary from a child
5 to a trust created for the benefit of that child; to provide for an effective date; and
6 to provide for related matters.

7 Notice of intention to introduce this Act has been published
8 as provided by Article X, Section 29(C) of the Constitution
9 of Louisiana.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 11:446(B) is hereby amended and reenacted and R.S. 11:446(G) is
12 hereby enacted to read as follows:

13 §446. Mode of payment where option elected

14 * * *

15 B. A retiree cannot change the designation of beneficiary unless the
16 retirement was approved under Option 1 or pursuant to Subsection G of this Section
17 where a trust has been created for the benefit of a child who is the retiree's named
18 beneficiary.

19 * * *

1 G. If a trust has been created under Louisiana law by the retiree for the
2 benefit of a child, the terms of the trust so provide, and the system has been provided
3 with a certified copy of the trust document, then the optional retirement allowance
4 selected pursuant to this Section shall be paid to the trust under the terms of the trust
5 for addition to the trust property. Any retiree who originally named a child as his
6 beneficiary may redesignate a trust as his beneficiary if such trust is created for the
7 benefit of that child. In the event that a trust is contested by any party, the system
8 shall withhold all benefit payments or deposit them in the registry of the court if a
9 concursus proceeding is filed until there is a final binding legal agreement or
10 judgment regarding the proper payment of benefits.

11 Section 2. This Act shall become effective on July 1, 2010; if vetoed by the governor
12 and subsequently approved by the legislature, this Act shall become effective on July 1,
13 2010, or on the day following such approval by the legislature, whichever is later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

LaBruzzo

HB No. 225

Abstract: Relative to the La. State Employees' Retirement System (LASERS), allows a trust established for the benefit of a child to be named as beneficiary for purposes of retirement benefits.

Present law provides several payment options for retirement benefits under LASERS, which a retiree may choose if he wishes benefits to continue being paid to a designated beneficiary upon his death. Such options will reduce the amount of the monthly benefit that a retiree receives during his lifetime and may in turn reduce the amount of the monthly benefit that his beneficiary receives upon his death.

Proposed law allows a retiree to name a trust created for the benefit of a child as his beneficiary, in which case benefits will be payable to the trust in the event of his death, depending upon the payment option selected.

Present law prohibits a retiree from changing his beneficiary once selected except under very limited circumstances.

Proposed law allows a retiree who originally named a child as beneficiary to change his beneficiary to a trust created for the benefit of that child.

Effective July 1, 2010.

(Amends R.S. 11:446(B); Adds R.S. 11:446(G))