

Regular Session, 2011

HOUSE BILL NO. 478

BY REPRESENTATIVES MONTOUCET, BARRAS, CHAMPAGNE, ST. GERMAIN,
AND THIBAUT AND SENATORS CHABERT, CHEEK, DORSEY,
GAUTREAUX, GUILLORY, LONG, MICHOT, MILLS, MORRELL, MURRAY,
NEVERS, RISER, SHAW, THOMPSON, WALSWORTH, AND WILLARD-
LEWIS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

1 AN ACT

2 To amend and reenact R.S. 11:546(C) and to enact R.S. 11:444(A)(2)(d), 546(D), (E), and
3 (F), and 605(D), relative to retirement benefits of adult probation and parole officers
4 in the Louisiana State Employees' Retirement System; to provide for benefit
5 calculation; to provide for funding; to provide an effective date; and to provide for
6 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. 11:546(C) is hereby amended and reenacted and R.S.
12 11:444(A)(2)(d), 546(D), (E), and (F), and 605(D) are hereby enacted to read as follows:

13 §444. Computation of retirement benefit

14 A.

15 * * *

16 (2)

17 * * *

18 (d)(i) Probation and parole officers in the office of adult services of the
19 Department of Public Safety and Corrections who were employed on or before
20 December 31, 2001, who did not opt to join the secondary component of this system
21 pursuant to R.S. 11:605(A), and who retire or begin participation in the Deferred
22 Retirement Option Plan on or after July 1, 2011, shall receive a maximum retirement

1 allowance equal to three percent of average compensation, as determined pursuant
2 to R.S. 11:231, for every year of creditable service in the retirement system before
3 July 1, 2011, and three and one-third percent of average compensation, as
4 determined by R.S. 11:231, for every year of creditable service in the retirement
5 system on or after July 1, 2011.

6 (ii) A probation and parole officer to whom this Subparagraph applies, who
7 entered the Deferred Retirement Option Plan before July 1, 2011, and who continues
8 in employment after participation in the plan shall receive a supplemental benefit
9 pursuant to R.S. 11:450(D) for such continued employment. If he remains employed
10 after July 1, 2011, such supplemental benefit shall be calculated using the accrual
11 rate of three percent for post-participation employment before July 1, 2011, and three
12 and one-third percent for such employment on or after July 1, 2011.

13 (iii) Nothing in this Subparagraph shall be construed to allow recalculation
14 of benefits for any retiree, or of base benefits as defined in R.S. 11:450(D) for any
15 Deferred Retirement Option Plan participant or for any person who continued in
16 employment after completing participation in such plan.

17 * * *

18 §546. Adult Probation and Parole Officer Retirement Fund

19 * * *

20 C. Monies in the fund shall be invested in the same manner as the state
21 general fund monies. Interest earned on the investment of monies in the fund, after
22 being credited to the Bond Security and Redemption Fund pursuant to Article VII,
23 Section 9(B) of the Constitution of Louisiana, shall be credited to the fund. All
24 unexpended and unencumbered monies and earnings remaining in the fund at the end
25 of the fiscal year shall remain in the fund, ~~until the legislature provides for enhanced~~
26 ~~benefits for probation and parole officers in the office of adult services of the~~
27 ~~Department of Public Safety and Corrections who have service credit in the primary~~
28 ~~component of the system.~~

29 D.(1) Until any actuarially accrued liability for retirement benefits for
30 probation and parole officers in the office of adult services of the Department of

1 Public Safety and Corrections created pursuant to the Act of the 2011 Regular
2 Session of the Legislature which enacted this Subsection has been fully funded, the
3 monies in the fund shall be used exclusively for the purpose of providing funding for
4 such actuarially accrued liability, for payment of any normal cost increase caused by
5 the Act of the 2011 Regular Session of the Legislature which amended this
6 Subsection, and for reimbursement as provided in R.S. 11:605(D)(2).

7 ~~(2) If the legislature does not provide for such benefit enhancements by June~~
8 ~~30, 2015~~ After such actuarially accrued liability has been fully funded, all monies in
9 the fund shall be available to the Department of Public Safety and Corrections to
10 help defray the costs of supervision of persons on probation or parole, including the
11 normal cost of retirement benefits for employees of the department who are members
12 of this system.

13 E.(1) As soon as practicable after the effective date of the Act of the 2011
14 Regular Session of the Legislature which enacted this Subsection, but no later than
15 September 30, 2011, the treasurer shall allocate and distribute to the system from the
16 fund an initial payment of two and one-half million dollars. This payment shall be
17 used first to fully fund the first year's normal cost increase. The balance shall be
18 applied to the amortization of the unfunded accrued liability, if any, created by
19 enactment of R.S. 11:444(A)(2)(d). The June 30, 2011, system valuation shall
20 account for this initial payment.

21 (2) On October 1, 2012, and on or before October first of each fiscal year
22 thereafter, the treasurer shall allocate and distribute to the system from the fund the
23 amount of any amortization and normal cost payments calculated by the system
24 actuary and contained in the system's valuation for the previous fiscal year and
25 approved by the Public Retirement Systems' Actuarial Committee to be paid from
26 the fund; however, in no case shall the allocation and distribution to the system
27 provided for in this Paragraph exceed the balance in the fund.

28 (3) In addition to the payment required by Paragraph (2) of this Subsection,
29 on or before October first of each fiscal year, the treasurer shall allocate and
30 distribute to the system from the fund, any amount over four hundred thousand

1 dollars, of the balance remaining in the fund after the payment required by Paragraph
 2 (2) of this Subsection has been made. Thereafter, not less than quarterly, the
 3 treasurer shall allocate and distribute to the system any balance remaining in the fund
 4 exceeding four hundred thousand dollars. The system shall hold these allocations
 5 and distributions in a separate account to be used only for the following purposes:

6 (a) Funding the next fiscal year's payment for actuarially accrued liability
 7 and normal cost payable pursuant to Paragraph (2) of this Subsection, if the balance
 8 in the fund is insufficient to fully finance that fiscal year's payment.

9 (b) To make an additional payment toward the actuarially accrued liability
 10 created by the Act of the 2011 Regular Session of the Legislature which enacted this
 11 Subsection.

12 (4) Any unpaid portion of an amortization or normal cost payment for a
 13 particular fiscal year shall be included in the next year's system valuation as part of
 14 an individualized calculation pursuant to R.S. 11:102(C)(3) and (4).

15 F. After allocation and distribution to the system for a fiscal year pursuant
 16 to Paragraph (E)(2) of this Section, the treasurer shall allocate and distribute to the
 17 department from the fund the amount of any reimbursement to be paid pursuant to
 18 R.S. 11:605(D)(2).

19 * * *

20 §605. Transfer of other service credit

21 * * *

22 D.(1) Notwithstanding the provisions of Subparagraph (B)(2)(a) of this
 23 Section, any member who is a probation and parole officer in the office of adult
 24 services of the Department of Public Safety and Corrections, who was employed on
 25 or before December 31, 2001, who elected to transfer from the primary component
 26 to the secondary component but who opted not to transfer his primary component
 27 service credit on an actuarial basis, who has not upgraded his service credit as
 28 permitted pursuant to Subparagraph (B)(2)(b) of this Section, and who retires or
 29 begins participation in the Deferred Retirement Option Plan on or after July 1, 2011,
 30 shall receive a benefit calculated using a three percent accrual rate for all creditable

1 service in the system earned before the date the member transferred to the secondary
2 component.

3 (2)(a) Any member who is a probation and parole officer in the office of
4 adult services of the Department of Public Safety and Corrections, who was
5 employed on or before December 31, 2001, who retires or begins participation in the
6 Deferred Retirement Option Plan on or after July 1, 2011, who elected to transfer
7 from the primary component to the secondary component, and who upgraded his
8 service credit as permitted pursuant to Subparagraph (B)(2)(b) of this Section, may
9 elect to be reimbursed without interest for the cost of such upgrade and to have his
10 benefit calculated using a three percent accrual rate for all creditable service in the
11 system earned before the date the member transferred to the secondary component.

12 (b) Such reimbursement shall be made exclusively from the monies in the
13 fund created pursuant to R.S. 11:546. The department shall promulgate rules for
14 application for, calculation of, and recommendation to the Joint Legislative
15 Committee on the Budget regarding such reimbursement. No application for such
16 reimbursement shall be accepted before October 3, 2011.

17 (c) The department shall inform the system of the amount of each
18 reimbursement and to whom it was made. The system shall apply an amount equal
19 to each reimbursement to the credit of the department in the next year's valuation
20 and shall add the liability for each reimbursed member's benefit increase to the
21 balance owed to the system.

22 Section 2.(A) The amount of the unfunded actuarially accrued liability, if any,
23 resulting from the implementation of the provisions of this Act and a required amortization
24 payment therefor shall be determined by the Public Retirement Systems' Actuarial
25 Committee as part of the annual adoption of the official actuarial valuation for the Louisiana
26 State Employees' Retirement System pursuant to R.S. 11:127, beginning with the June 30,
27 2011, valuation. This determination shall include the initial payment required for October
28 1, 2011. Such unfunded actuarially accrued liability shall be amortized as a separate
29 unfunded accrued liability forming level dollar payments over a period of ten years.

1 (B) The additional actuarial cost, if any, of the benefit provisions contained in this
 2 Act not funded by payments pursuant to Section 2(A) of this Act shall be funded with
 3 increased employer contributions, in compliance with Article X, Section 29(F) of the
 4 Constitution of Louisiana.

5 Section 3. Benefits provided for pursuant to this Act shall not be suspended,
 6 reduced, or denied unless a final, nonappealable judgment declaring this Act unconstitutional
 7 has been rendered by a court of competent jurisdiction.

8 Section 4. This Act shall become effective on June 30, 2011; if vetoed by the
 9 governor and subsequently approved by the legislature, this Act shall become effective on
 10 June 30, 2011, or on the day following such approval by the legislature, whichever is later.

11 Section 5. In the case of any conflict between the provisions of this Act and the
 12 provisions of any other Act of the 2011 Regular Session of the Legislature, the provisions
 13 of this Act shall supercede and control regardless of the order of passage.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____