

Regular Session, 2010

HOUSE BILL NO. 662

BY REPRESENTATIVE POPE

RETIREMENT/SCHOOL EMPS: Relative to the La. School Employees' Retirement System, allows for a reverse transfer of service credit from the Teachers' Retirement System of La.

1 AN ACT

2 To amend and reenact R.S. 11:1120(A), relative to the Louisiana School Employees'
3 Retirement System; to permit members of certain other state retirement systems to
4 execute a reverse transfer of service credit to the Louisiana School Employees'
5 Retirement System; to provide for an upgrade of transferred service credit; to
6 provide an effective date; and 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. 11:1120(A) is hereby amended and reenacted to read as follows:

12 §1120. Members employed in other state or public employment

13 A.(1) Notwithstanding any enrollment error occurring prior to January 1,
14 1992, any person who is a member of the Louisiana School Employees' Retirement
15 System, who has creditable membership service of at least five years in this system
16 and who becomes employed in any other state or public employment where he is no
17 longer eligible for membership in this system but is eligible for membership in the
18 Teachers' Retirement System of Louisiana or the Louisiana State Employees'
19 Retirement System, shall have the right to remain a member of this system in lieu of

1 membership in the Teachers' Retirement System of Louisiana or the Louisiana State
2 Employees' Retirement System by filing a notice of election to remain in this system,
3 in writing, with the board of trustees within thirty days after the effective date of
4 employment. Such election shall be irrevocable.

5 (2) Any person who previously transferred service credit to and is an active
6 member of the Teachers' Retirement System of Louisiana or the Louisiana State
7 Employees' Retirement System, may elect to execute a reverse transfer of service
8 credit from either of those systems to this system. Such transfer shall be subject to
9 the provisions of R.S. 11:143. After the date of transfer, the transferring member
10 shall become a member of this system and shall prospectively begin earning an
11 accrual rate and contributing at the employee contribution rate established pursuant
12 to this Part. Additionally, the transferring member may elect to upgrade his
13 transferred service credit accrual rate to reflect the current accrual rate for active
14 members established in this Part by paying the amount required pursuant to R.S.
15 11:158.

16 * * *

17 Section 2. Any cost of this Act not funded through an actuarial transfer of funds or
18 upgrade of service credit as provided in this Act, shall be funded with additional employer
19 contributions in compliance with Article X, Section 29(E)(5)(b) of the Constitution of
20 Louisiana.

21 Section 3. This Act shall become effective on July 1, 2010; if vetoed by the governor
22 and subsequently approved by the legislature, this Act shall become effective on July 1,
23 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)]

Pope

HB No. 662

Abstract: Permits a former member of the La. School Employees' Retirement System (LSERS) who transferred to either the Teachers' Retirement System of La. (TRSL)

or the La. State Employees' Retirement System (LASERS), to transfer his service credit back to LSERS and regain membership therein.

Present law (R.S. 11:143) permits a member of a public retirement system to transfer his service credit from such system to any other system in which he is a member. Provides that all of his funds from the transferring system shall be transferred to the receiving system. In the event that the amount transferred is less than the cost of the service credit in the receiving system, the member shall: (1) pay the difference, or (2) be granted an amount of credit in the receiving system which is based on the actual amount of funds transferred. The benefit accrual rate of the transferring system shall be used to calculate the portion of his retirement benefit attributable to the transferred service credit.

Present law (R.S. 11:158), relative to certain public retirement systems, governs calculation of the payment required with respect to otherwise permitted purchases of service credit.

Present law (R.S. 11:1120(A)), under certain circumstances, allows a former member of LSERS who moved to TRSL or LASERS-covered employment to remain a member of LSERS if he makes an election to do so within 30 days of his change in employment.

Proposed law permits a former member of LSERS who is now an active member of TRSL or LASERS to perform a reverse transfer from TRSL or LASERS back to LSERS, thereby regaining membership in LSERS. Such reverse transfer shall be subject to the provisions of present law (R.S. 11:143). From the date of transfer, the member shall pay the requisite LSERS employee contributions and shall accrue service credit at the LSERS accrual rate going forward. Additionally, such member may pay the actuarial cost of upgrading his transferred service credit to the LSERS accrual rate, provided he pays the cost required by present law (R.S. 11:158).

Proposed law requires that any cost of proposed law, not funded as required by proposed law, be funded with additional employer contributions in compliance with Art. X, §9(E)(5)(b) of the Const. of La.

Effective July 1, 2010.

(Amends R.S. 11:1120(A))