

Regular Session, 2010

HOUSE BILL NO. 71

BY REPRESENTATIVE LABRUZZO

RETIREMENT/STATE EMPS: Relative to the La. State Employees' Retirement System (LASERS), allows for an increased benefit for members and retirees affected by Hurricane Katrina or Rita who took early retirement

1 AN ACT

2 To amend and reenact R.S. 11:441(A)(1)(d), relative to the Louisiana State Employees'
3 Retirement System (LASERS); to provide for an increase in benefits under certain
4 circumstances for certain persons affected by Hurricane Katrina or Rita; to provide
5 relative to benefit calculation for such persons; to provide for payments to the
6 system; to provide a funding source for such increased benefits; to provide an
7 effective date; and to provide for related matters.

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

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 11:441(A)(1)(d) is hereby amended and reenacted to read as follows:

13 §441. Eligibility for retirement

14 A.(1) Any member hired on or before June 30, 2006, or who receives a
15 benefit calculated pursuant to R.S. 11:444(A)(2)(b) shall be eligible for retirement
16 if he has:

17 * * *

18 (d)(i) Twenty years of service credit at any age, exclusive of military service
19 and unused annual and sick leave, but any person retiring under this Subparagraph

1 shall have his benefit, inclusive of military service credit and allowable unused
 2 annual and sick leave, actuarially reduced from the earliest age that he would
 3 normally become eligible for a regular retirement benefit under Subparagraph (a),
 4 (b), or (c) of this Paragraph if he had continued in service to that age. Any employee
 5 who elects to retire under the provisions of this Subparagraph shall not be eligible
 6 to participate in the Deferred Retirement Option Plan provided by R.S. 11:447 or the
 7 Initial Benefit Option provided by R.S. 11:446(A)(5).

8 (ii) Notwithstanding the provisions of Item (i) of this Subparagraph, any
 9 member of this system who retired pursuant to an early retirement provision on or
 10 after August 28, 2005, and before July 1, 2006, whose last employment making him
 11 eligible for system membership was with the state or an agency thereof located in a
 12 parish designated under the Robert T. Stafford Disaster Relief and Emergency
 13 Assistance Act as eligible for individual assistance or individual assistance and
 14 public assistance following Hurricane Katrina or Rita and who was age fifty and had
 15 twenty-five or more years of service but was ineligible for retirement under
 16 Subparagraph (b) of this Paragraph at the time of his retirement, shall, upon reaching
 17 age fifty-five, no longer have his benefit actuarially reduced pursuant to this
 18 Subparagraph or any other early retirement provision. Benefit payments for such
 19 members which are payable on or after the effective date of this Item shall be
 20 calculated in accordance with the provisions of R.S. 11:444 as though subject to
 21 regular retirement. The system shall pay no benefit increases pursuant to this Item
 22 retroactively. In order to avail himself of the provisions of this Item, such member
 23 shall pay to the system an amount equal to the employee contributions that would
 24 have been paid to the system had he remained in service until the age of fifty-five,
 25 plus interest, based upon his earned compensation at the time of his retirement. No
 26 benefit increase pursuant to this Item shall be payable until such amount is received
 27 by the system.

28 * * *

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 Section 2. The cost of this Act, if any, shall be funded with the employee
2 contributions required to be remitted pursuant to this Act and with additional employer
3 contributions in compliance with Article X, Section 29(E)(5)(b) of the Constitution of
4 Louisiana.

5 Section 3. This Act shall become effective on July 1, 2010; if vetoed by the governor
6 and subsequently approved by the legislature, this Act shall become effective on July 1,
7 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. 71

Abstract: Relative to the La. State Employees' Retirement System (LASERS), provides for an increase in retirement benefits for certain early retirees employed in a federally declared disaster area following Hurricane Katrina or Rita, subject to certain restrictions.

Present law (R.S. 11:441(A)(1)(d)) provides that a member may retire early with 20 years of service credit at any age, subject to an actuarial reduction of benefits. Such early retirement benefit is actuarially reduced from the earliest age that he would normally become eligible for regular retirement.

Proposed law provides that a member who retired under early retirement provisions of present law between Aug. 28, 2005, and June 30, 2006, shall, upon reaching age 55, no longer have his benefit actuarially reduced if:

- (1) At the time of retirement he was at least age 50 with 25 years of service; and
- (2) He pays to the system the amount of employee contributions that would have been paid to the system had he remained employed until age 55.

Effective July 1, 2010.

(Amends R.S. 11:441(A)(1)(d))