

SENATE BILL NO. 2

BY SENATOR MILLS

1 AN ACT

2 To amend and reenact R.S. 11:446(F), 450(B), and 471.1(G) and to enact R.S. 11:1903(F),  
3 relative to retirement benefits of public employees hired after a certain date; to  
4 provide for participation, options, contributions, and eligibility; to provide for  
5 technical corrections; to provide for an effective date; and to provide for related  
6 matters.

7 Notice of intention to introduce this Act has been published.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 11:446(F), 450(B), and 471.1(G) are hereby amended and reenacted  
10 and R.S. 11:1903(F) is hereby enacted to read as follows:

11 §446. Mode of payment where option elected

12 \* \* \*

13 F. If the member is married, the designated beneficiary for a qualified joint  
14 and survivor annuity and any Deferred Retirement Option Plan benefits payable in  
15 accordance with law shall be his spouse, unless such spouse has consented to the  
16 contrary in writing before a notary public, or such spouse cannot be located and the  
17 member submits an original affidavit signed by him before a notary public which  
18 evidences good faith efforts to locate the spouse. If the member does not select a  
19 joint and survivor annuity option and fails to provide such a spousal consent at the  
20 time of his retirement ~~and his spouse survives him~~, then for the purposes of a  
21 retirement benefit option the system shall establish the benefit as if the member had  
22 selected the Option 3 joint and survivor annuity as provided in Paragraph ~~(3)~~ of

1 Subsection (A)(3) of this Section. For purposes of this Paragraph, "spouse" shall  
2 mean that person who is married to the member under a legal regime of community  
3 of acquets and gains on his effective date of retirement or effective date of  
4 participation in the Deferred Retirement Option Plan, whichever is earlier.

5 \* \* \*

6 §450. Termination of participation

7 \* \* \*

8 B. Upon termination of participation in the plan but not employment, credits  
9 to the account shall cease and no retirement benefits shall be paid to the participant  
10 until employment is terminated. The balance in the participant's subaccount shall be  
11 placed in a self-directed subaccount in the name of the participant as provided for in  
12 R.S. 11:451.1, and the participant shall then be bound by the provisions of ~~said~~ **that**  
13 Section. No payment shall be made based on credits in the subaccount until  
14 employment is terminated as defined in this Section. The participant may continue  
15 employment after termination of participation in the plan for the sole purpose of  
16 accruing a supplemental benefit, and employer and employee contributions shall  
17 resume. ~~Correction officers, probation and parole officers, and security officers of~~  
18 ~~the Department of Public Safety and Corrections; peace officers of the Department~~  
19 ~~of Public Safety and Corrections, office of state police, other than state troopers, as~~  
20 ~~provided in R.S. 11:444(A)(2)(b); and personnel employed by the Department of~~  
21 ~~Revenue, office of alcohol and tobacco control, as provided in R.S. 11:444(A)(2)(c);~~  
22 **Participants** who have ended their participation in the Deferred Retirement Option  
23 Plan but not employment shall make contributions at the rate established in R.S.  
24 11:62(5)(b).

25 \* \* \*

26 §471.1. Survivors' benefits; members hired on or after January 1, 2011

27 \* \* \*

28 G. If a member dies, even after retirement, eligible ~~minor~~ children shall  
29 receive the benefits under Subsection C of this Section.

30 \* \* \*

1 §1903. Admission of taxing districts; district indigent defender programs; soil and  
2 water conservation districts

3 \* \* \*

4 **F. Notwithstanding any provision of this Chapter to the contrary, a**  
5 **hospital service district located in a parish with a total population between**  
6 **seventy thousand and eighty thousand persons as of the latest federal decennial**  
7 **census may terminate coverage for employees of the district first hired on or**  
8 **after January 1, 2015, as further provided in this Subsection.**

9 **(1) If any plan entered into by a hospital district under this Section is**  
10 **prospectively terminated, the hospital district which prospectively terminates**  
11 **its plan may not again begin participation for new employees in the system**  
12 **pursuant to this Section, unless approved by the board of trustees.**

13 **(2) Prospective termination of a plan shall follow all notice and any other**  
14 **requirements of termination provided for in the plan agreement.**

15 **(3) If, pursuant to this Subsection, an employer terminates its agreement**  
16 **for coverage of its employees first hired after the effective date of the**  
17 **termination, the employer shall remit to the system that portion of the unfunded**  
18 **actuarial accrued liability, if any, which is attributable to the employer's**  
19 **termination. The amount required to be remitted pursuant to this Paragraph**  
20 **shall be determined as of the December thirty-first immediately prior to the**  
21 **date of termination. Such determination shall be made using the entry age**  
22 **normal actuarial funding method.**

23 **(4) The amount due shall be determined by the actuary employed by the**  
24 **system and shall either be paid in a lump sum or amortized over ten years in**  
25 **equal monthly payments with interest at the system's actuarial valuation rate**  
26 **in the same manner as regular payroll payments to the system, at the option of**  
27 **the employer.**

28 **(5) Should the employer fail to make payment timely, the amount due**  
29 **shall be collected in the same manner as authorized by Subsection D of this**  
30 **Section and R.S. 11:2014.**

1           Section 2. This Act shall become effective on January 1, 2015; if vetoed by the  
2           governor and subsequently approved by the legislature, this Act shall become effective on  
3           January 1, 2015, or on the day following such approval by the legislature, whichever is later.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_