

Regular Session, 2012

SENATE BILL NO. 38

BY SENATOR GUILLORY

REGISTRAR OF VOTERS RET. Provides for Tier 2 of benefits for persons employed on or after January 1, 2013. (6/30/12)

1 AN ACT
2 To amend and reenact R.S. 11:2144(A) and to enact Part X of Chapter 6 of Subtitle III of
3 Title 11 of the Louisiana Revised Statutes of 1950, to be comprised of R.S.
4 11:2165.1 through 2165.7, relative to the Registrars of Voters Employees'
5 Retirement System; to provide relative to membership, benefit calculation,
6 retirement eligibility, and disability benefits for certain members; to provide an
7 effective date; and to provide for related matters.

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

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:2144(A) is hereby amended and reenacted and Part X of Chapter
11 6 of Subtitle III of Title 11 of the Louisiana Revised Statutes of 1950, comprised of R.S.
12 11:2165.1 through 2165.7, is hereby enacted to read as follows:

13 §2144. Deferred Retirement Option Plan

14 A. In lieu of terminating employment and accepting a service retirement
15 allowance pursuant to this Section, any member who is eligible to receive retirement
16 benefits as provided for in R.S. 11:2071 or **R.S. 11:2165.4** may elect to participate
17 in the Deferred Retirement Option Plan and defer the receipt of benefits in

1 accordance with the provisions of this Section.

2 * * *

3 **§2165.1. Creation; application**

4 **A. There is hereby created a second tier of benefits within this system**
5 **for persons whose first employment making them eligible for membership in**
6 **this system occurred on or after January 1, 2013. The provisions of this Part**
7 **shall be known as "Tier 2" of the system. The provisions of this Chapter**
8 **applicable to persons whose first employment making them eligible for system**
9 **membership occurred before January 1, 2013, shall be known as "Tier 1". Any**
10 **other provisions of this Chapter or any other laws to the contrary**
11 **notwithstanding, the retirement of such persons shall be governed by the**
12 **provisions of this Part; however, if provisions of this Chapter applicable to the**
13 **original plan cover matters not specifically addressed by the provisions of this**
14 **Part or if any of the provisions of this Chapter are made applicable in this Part,**
15 **then those provisions shall apply to members governed by this Part.**

16 **§2165.2. Definitions**

17 **A. As used in this Part, the following terms have the meanings ascribed**
18 **below unless a different meaning is clearly required by the context:**

19 **(1) "Average compensation," shall mean the average annual earned**
20 **compensation of an employee for any period of sixty successive or joined**
21 **months of service as an employee during which earned compensation was the**
22 **highest. In case of interruption of employment, the sixty-month period shall be**
23 **computed by joining employment periods immediately preceding and**
24 **succeeding the interruption.**

25 **(2) "Member" shall include persons who would be eligible for system**
26 **membership pursuant to R.S. 11:2051 but whose first employment making them**
27 **eligible for membership in this system occurred on or after January 1, 2013.**

28 **B. Terms not specifically defined in this Section shall have the meanings**
29 **provided in R.S. 11:2031 unless a different meaning is clearly required by the**

1 context.

2 §2165.3. Eligibility for membership

3 Each person who would be eligible for Tier 1 membership but whose
4 first employment making him eligible for membership in this system occurred
5 on or after January 1, 2013, shall become a member of the Tier 2 of the system
6 as a condition of employment.

7 §2165.4. Eligibility for retirement

8 A. A member upon withdrawal from service shall be entitled to receive
9 a retirement allowance which shall begin as of the date specified by the member
10 in his application for the said allowance but in no event before withdrawal from
11 service if he has:

12 (1) Attained of the age of sixty-two years and completed at least ten years
13 of creditable service.

14 (2) Attained the age of sixty years and completed at least twenty years
15 of creditable service.

16 (3) Attained the age of fifty-five years and completed at least thirty years
17 of creditable service.

18 B. Any member whose withdrawal from service occurs prior to his
19 attaining the age of sixty-two years, who shall have completed more than ten
20 years of creditable service and shall not have received a refund of his
21 accumulated contributions shall be entitled to receive a retirement allowance
22 beginning upon his attaining the age of sixty-two years of the amount earned
23 and accrued at the date of withdrawal from service; provided that such benefits
24 shall begin at age sixty if he has twenty or more years of creditable service;
25 provided further that such benefits shall begin at age fifty-five if he has thirty
26 or more years of creditable service.

27 §2165.5. Annual amount of retirement allowance

28 A. The annual amount of the retirement allowance for any member who
29 upon retirement has less than thirty years of creditable service in this fund shall

1 be three percent of the average final compensation for each year of creditable
2 service . The annual amount of the retirement allowance for any member who
3 upon retirement shall have at least thirty years of total creditable service, with
4 at least twenty years of creditable service in this system, shall be three and one-
5 third percent of the average final compensation for each year of creditable
6 service.

7 B. The benefits provided in this Section shall not exceed one hundred
8 percent of average compensation.

9 §2165.6. Disability Retirement

10 A. Eligibility for disability benefits, procedures for application for
11 disability benefits, procedures for the certification of continuing eligibility for
12 disability benefits, the authority of the board of trustees to modify disability
13 benefits, and procedures governing the restoration to active service of a
14 formerly disabled employee are specifically provided for in R.S. 11:201 through
15 224.

16 B. The board of trustees shall award disability benefits to eligible
17 members who have been officially certified as disabled by the State Medical
18 Disability Board. The disability benefit shall be determined as follows:

19 (1) Upon retirement for disability, a member shall receive a retirement
20 allowance if eligible therefor; otherwise, he shall receive a disability benefit
21 which shall be the product of the retirement accrual rate as determined
22 pursuant to R.S. 11:2072 multiplied by the member's average compensation
23 further multiplied by service as determined to be the lesser of:

24 (i) Creditable service earned by the date of the disability application, but
25 totaling not less than fifteen years.

26 (ii) Projected continued service to age sixty-two.

27 (2) In no case shall the disability benefit provided herein exceed two-
28 thirds of earnable compensation.

29 (3) Any amount received as a compensable wage or a lump sum

1 settlement under the provisions of the workers' compensation laws shall be
 2 applied as an offset against benefits received under the provisions of this
 3 Subsection, pursuant to rules prescribed by the board. The board shall have
 4 complete discretion and the authority to determine the extent and application
 5 of the provisions of this Subsection.

6 (4) A member who qualifies for disability retirement benefits may select
 7 an Option 2 or 3 as specified in R.S. 11:2076 with his spouse as beneficiary.
 8 Such option factors shall be the same as those utilized for regular retirement
 9 and shall be based on the age that the member and spouse would have attained
 10 had the member survived, continued in service, and then retired on the earliest
 11 normal retirement date.

12 §2165.7. Application

13 The provisions of the applicable Tier 1 plan shall apply to Tier 2 for any
 14 matter on which this Part is silent. In case of any conflict between the
 15 provisions of Tier 1 and Tier 2, Tier 2 shall prevail.

16 Section 2. This Act shall become effective on June 30, 2012; if vetoed by the
 17 governor and subsequently approved by the legislature, this Act shall become effective on
 18 June 30, 2012, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Laura Gail Sullivan.

DIGEST

Guillory (SB 38)

Proposed law generally makes changes to the benefit structure of the Registrars of Voters Employees' Retirement System (ROVERS), designated "Tier 2", for members hired on or after January 1, 2013, in the following respects:

1. Retirement eligibility
2. Annual amount of retirement allowance
3. Disability retirement allowance calculation

Proposed law designates the benefit structure applicable to members hired on or before December 31, 2002, as "Tier 1".

RETIREMENT ELIGIBILITY

Present law provides any member of the system shall be eligible to retire if he has:

1. Ten years of creditable service, and is at least age sixty.
2. Twenty years of creditable service, and is at least age fifty-five.
3. Thirty years of creditable service, regardless of age.

Proposed law retains present law for persons whose first employment making them eligible for ROVERS membership occurred on or before Dec. 31, 2012.

Proposed law provides any member of Tier 2 shall be eligible for retirement if he has:

1. Ten years or more of service, at age sixty-two or thereafter.
2. Twenty years or more of creditable service, at age sixty or thereafter.
3. Thirty years of creditable service at age fifty.

ANNUAL AMOUNT OF RETIREMENT ALLOWANCE

Present law provides the annual amount of the retirement allowance for any person who is an active contributing member of this system shall consist of a member's annuity which shall be the actuarial equivalent of the accumulated contributions of the member at the time of retirement, computed according to the actuarial table in use by ROVERS system, and effectively provides a 3% accrual rate for those hired on or before June 30, 1999, and a 3 1/3% accrual rate for those hired thereafter.

Proposed law adopts a formula with the same effect to compute the benefit, and applies the 3% accrual rate to anyone who does not qualify for a full normal retirement based on at least thirty years of service. It provides the current 3 1/3% accrual rate only to those whose full normal retirement benefit is based on at least thirty years of service.

Effective June 30, 2012.

(Amends R.S. 11:2144(A); adds R.S. 11:2165.1 through 2165.7)