

Regular Session, 2012

SENATE BILL NO. 51

BY SENATOR GUILLORY

RETIREMENT BENEFITS. Provides relative to retirement eligibility for certain members of the La. State Employees' Retirement System and the Teachers' Retirement System of La. (6/30/12)

1 AN ACT
2 To amend and reenact R.S. 11:441(A)(1)(introductory paragraph), (2)(a)(introductory
3 paragraph) and (b)(introductory paragraph), and 761(A)(4) and to enact Subpart P
4 of Part II of Chapter 4 of Subtitle I of Title 11 of the Louisiana Revised Statutes of
5 1950, to be comprised of R.S. 11:331, and R.S. 11:441(A)(4) and 761(A)(5), relative
6 to certain members of the Louisiana State Employees' Retirement System and certain
7 postsecondary education members of the Teachers' Retirement System of Louisiana;
8 to provide relative to eligibility for retirement and to retirement benefits; to provide
9 for applicability; and to provide for related matters.

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

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 11:441(A)(1)(introductory paragraph), (2)(a)(introductory paragraph)
13 and (b)(introductory paragraph), and 761(A)(4) are hereby amended and reenacted and
14 Subpart P of Part II of Chapter 4 of Subtitle I of Title 11 of the Louisiana Revised Statutes
15 of 1950, comprised of R.S. 11:331, and R.S. 11:441(A)(4) and 761(A)(5) are hereby enacted
16 to read as follows:

17 **SUBPART P. LEGISLATIVE INTENT**

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§331. Legislative intent; certain acts

The Legislature of Louisiana hereby declares that the intent of the provisions of this Title that were enacted by the Act that originated as Senate Bill No. _____ of the 2012 Regular Session is to attain and maintain the actuarial soundness of state and statewide systems as required by the Constitution of Louisiana, Article X, Section 29.

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§441. Eligibility for retirement

A.(1) ~~Any~~ **Subject to the provisions of Paragraph (4) of this Subsection,** a member hired on or before June 30, 2006, or any member who receives a benefit calculated pursuant to R.S. 11:444(A)(2)(b) and whose first employment making him eligible for membership in one of the state systems occurred on or before December 31, 2010, shall be eligible for retirement if he has:

* * *

(2)(a) ~~Any~~ **Subject to the provisions of Paragraph (4) of this Subsection,** a member hired on or after July 1, 2006, **and before July 1, 2013,** shall be eligible for retirement if he has:

* * *

(b) Except for members of the Hazardous Duty Services Plan, as defined in R.S. 11:612, **and subject to the provisions of Paragraph (4) of this Subsection,** any member whose first employment making him eligible for membership in one of the state systems occurred on or after January 1, 2011, **and before July 1, 2013,** including any judge, court officer, governor, lieutenant governor, clerk or sergeant-at-arms of the House of Representatives, secretary or sergeant-at-arms of the Senate, or state treasurer, shall be eligible for retirement if he has:

* * *

(4)(a)(i) A member hired prior to June 30, 2006, is eligible for retirement if he has attained at least ten years of service and reached the age of sixty-seven or the highest retirement age provided for by the Social Security

1 Act, 42 U.S.C. 416, whichever is higher. However, such member may retire
2 under any otherwise applicable provision of this Subsection, but his retirement
3 benefit shall be actuarially reduced from what it would have been at the
4 retirement age established by this Subparagraph if he had continued service.
5 Any other applicable actuarial reduction provided for in this Subsection shall
6 also be made to his retirement benefit. In no event shall any member who has
7 completed the Deferred Retirement Option Plan receive his supplemental
8 benefit before he has attained the retirement age established by this
9 Subparagraph.

10 (ii) A member hired on or after to July 1, 2006, is eligible for retirement
11 if he has attained at least five years of service and reached the age of sixty-seven
12 or the highest retirement age provided for by the Social Security Act, 42 U.S.C.
13 416, whichever is higher. However, a member whose first employment making
14 him eligible for membership in one of the state systems occurred before July 1,
15 2013, may retire under any otherwise applicable provision of this Subsection,
16 but his retirement benefit shall be actuarially reduced from what it would have
17 been at the retirement age established by this Subparagraph if he had continued
18 service. Any other applicable actuarial reduction provided for in this
19 Subsection shall also be made to his retirement benefit. In no event shall any
20 member who has completed the Deferred Retirement Option Plan receive his
21 supplemental benefit before he has attained the retirement age established by
22 this Subparagraph.

23 (b) The provisions of Subparagraph (a) of this Paragraph do not apply
24 to the following members:

25 (i) A member who was born before July 1, 1957; such a member may
26 retire under any other applicable provision of this Subsection.

27 (ii) A judge serving as an elected judge on July 1, 2012; such a member
28 may retire under any other applicable provision of this Subsection.

29 (iii) A member of the Hazardous Duty Services Plan; public safety

1 service employees referred to as "member" or "members" in R.S. 11:601(B);
 2 peace officers employed by the Department of Public Safety and Corrections,
 3 office of state police, other than state troopers, as provided in R.S.
 4 11:444(A)(2)(b); personnel employed by the Department of Revenue, office of
 5 alcohol and tobacco control, as provided in R.S. 11:444(A)(2)(c); wildlife agents;
 6 and bridge police. Such a member may retire under any other applicable
 7 provision of law.

8 * * *

9 §761. Retirement benefits; application; eligibility requirements; effective date;
 10 cancellation; errors and omissions

11 A.

12 * * *

13 (4)(a) A member who is employed by an institution of postsecondary
 14 education, the Board of Regents, or a postsecondary education management
 15 board but who is not a member of the optional retirement plan is eligible for
 16 retirement if he has attained at least five years of service and reached the age
 17 of sixty-seven or the highest retirement age provided for by the Social Security
 18 Act, 42 U.S.C. 416, whichever is higher. However, such a member whose first
 19 employment making him eligible for membership in one of the state systems
 20 occurred before July 1, 2013, may retire under any otherwise applicable
 21 provision of this Subsection, but his retirement benefit shall be actuarially
 22 reduced from what it would have been at the retirement age established by this
 23 Subparagraph if he had continued service. Any other applicable actuarial
 24 reduction provided for in this Subsection shall also be made to his retirement
 25 benefit. In no event shall any member who has completed the Deferred
 26 Retirement Option Plan receive his supplemental benefit before he has attained
 27 the retirement age established by this Subparagraph.

28 (b) The provisions of Subparagraph (a) of this Paragraph do not apply
 29 to a member who was born before July 1, 1957; such a member may retire

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

DIGEST

Present law provides for eligibility for retirement for members of LASERS and TRSL. Present law provides various eligibility requirements the applicability of which depends on variables such as when the individual was hired and what position the individual has held. Typically, a person is authorized to retire after some number of years of service at a particular age (10 years at 60, for example), some greater number of years of service at a lower age (25 years at 55, for example), or a still greater number of years of service at any age (30 years at any age, for example). Many classes of employees also have the option to take early retirement after some number of years, but their retirement benefit is actuarially reduced.

Relative to LASERS, proposed law provides that certain members hired prior to 6/30/06 may retire after 10 years of service and attaining age 67 or the highest Social Security retirement age. Certain members hired on or after 7/1/06 may retire after 5 years of service and attaining age 67 or the highest Social Security retirement age. Members hired prior to 1/1/13 may retire under present law provisions relative to retirement requirements, but their retirement will be actuarially reduced from age 67.

Relative to TRSL, proposed law provides that certain members may retire after five years at age 67 or the highest Social Security retirement age. Members hired prior to 1/1/13 may retire under present law provisions relative to retirement requirements, but their retirement will be actuarially reduced from age 67.

Relative to LASERS, proposed law applies to all members except: persons born before July 1, 1957, specified groups of law enforcement officers, and judges in office on the effective date of proposed law.

Relative to TRSL, proposed law applies only to members employed by an institution of postsecondary education, the Board of Regents, or a postsecondary education management board, who were born on or after July 1, 1957, and who are not members of the optional retirement plan.

A member of either retirement system who is covered by proposed law but who was hired in a position making him a member of a state retirement system prior to July 1, 2013, may retire under any applicable provision of present law, but his retirement benefit will be actuarially reduced from what it would have been had he continued in service until the retirement age established by proposed law; however proposed law prohibits a member covered by proposed law from receiving a DROP supplemental benefit prior to reaching the age of 67.

Proposed law provides that if proposed law is declared unconstitutional as it relates to a particular group of employees, the provisions of proposed law remain in effect and applicable to employees unrelated to the judgment and requires the Public Retirement Systems' Actuarial Committee (PRSAC) to meet as soon as practicable to adopt a revised actuarial valuation for LASERS and to adopt a revised employer contribution rate taking into account the provisions of proposed law.

Effective June 30, 2012.

(Amends R.S. 11:441(A)(1)(intro para), (2)(a)(intro para) and (b)(intro para), and 761(A)(4); adds R.S. 11:331, 441(A)(4), and 761(A)(5))