

Regular Session, 2013

HOUSE BILL NO. 34

BY REPRESENTATIVE BARROW

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT/STATE EMPS: Provides for the transfers of accrued benefits of certain members of the La. State Employees' Retirement System and to Teachers' Retirement System of La. under certain conditions

1 AN ACT

2 To amend and reenact R.S. 11:155 and to enact R.S. 11:445.1 and 792.1, relative to the
3 transfer of retirement benefits by certain members of the Louisiana State Employees'
4 Retirement System and the Teachers' Retirement System of Louisiana; to provide
5 relative to lump-sum transfers of benefits by certain employees; to provide relative
6 to calculations; to provide for conditions; to provide for requirements; to provide
7 relative to notification of the retirement systems upon occurrence of conditions; and
8 to provide for related matters.

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

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 11:155 is hereby amended and reenacted and R.S. 11:445.1 and
14 792.1 are hereby enacted to read as follows:

15 §155. Receipt of benefits

16 Notwithstanding any other provisions of law to the contrary and specifically
17 the laws governing all public, state, municipal, or parochial retirement systems,
18 allowing "optional allowances", no member, retiree, beneficiary, or survivor shall be
19 entitled to receive his benefit in a lump sum, or actuarial equivalent lump sum, or a

1 lump sum of equivalent actuarial value and shall only receive his benefit in equal
2 monthly benefits payable throughout life or the legally allowed time if a shorter time
3 is specified by the laws governing the specific retirement system, except as provided
4 in R.S. 11:~~445.1~~, 446, 783, 792.1, 1150, or 1307. This Section shall not apply to the
5 return of accumulated contributions without interest if a person terminates
6 employment and requests such a refund under the laws applicable to the systems.

7 * * *

8 §445.1. Lump-sum transfer of retirement benefits by certain members

9 A. Notwithstanding any provision of this Chapter to the contrary, including
10 R.S. 11:445, any member employed by a state hospital operated by the Board of
11 Supervisors of the Louisiana State University and Agricultural and Mechanical
12 College as part of a Louisiana State University Health Sciences Center as provided
13 in R.S. 17:1519.2 shall, if the State Civil Service Commission or the director of the
14 state civil service approves of a layoff plan or layoff avoidance plan affecting the
15 member's employer hospital, be eligible to transfer the entire amount of his accrued
16 benefit, regardless of years of service, from this system to another qualified plan in
17 the form of a trustee-to-trustee single-sum transfer between qualified plans or as a
18 payment made directly to an individual retirement account.

19 B. Amounts to be transferred pursuant to the provisions of this Section shall
20 be calculated in accordance with R.S. 11:143(C).

21 * * *

22 §792.1. Lump-sum transfer of retirement benefits by certain members

23 A. Notwithstanding any provision of this Chapter to the contrary, any
24 member employed by a state hospital operated by the Board of Supervisors of the
25 Louisiana State University and Agricultural and Mechanical College as part of a
26 Louisiana State University Health Sciences Center as provided in R.S. 17:1519.2
27 shall, if the State Civil Service Commission or director of the state civil service
28 approves a layoff plan or layoff avoidance plan affecting the member's employer
29 hospital, be eligible to transfer the entire amount of his accrued benefit, regardless

1 of years of service, from this system to another qualified plan in the form of a
2 trustee-to-trustee single-sum transfer between qualified plans or as a payment made
3 directly to an individual retirement account.

4 B. Amounts to be transferred pursuant to the provisions of this Section shall
5 be calculated in accordance with R.S. 11:143(C).

6 Section 2. The director of the state civil service shall notify the directors of the
7 Louisiana State Employees' Retirement System and the Teachers' Retirement System of
8 Louisiana immediately upon receipt of a layoff plan or layoff avoidance plan affecting any
9 state hospital operated by the Board of Supervisors of the Louisiana State University and
10 Agricultural and Mechanical College as part of a Louisiana State University Health Sciences
11 Center as provided in R.S. 17:1519.2. The director of the state civil service shall further
12 notify the directors of the Louisiana State Employees' Retirement System and the Teachers'
13 Retirement System of Louisiana upon approval of each such layoff plan or layoff avoidance
14 plan within one calendar day of approval.

15 Section 3. The provisions of R.S. 11:445.1 and 792.1 as contained in this Act shall
16 be null and of no effect three years after the date on which they become effective.

17 Section 4. The provisions of this Act shall become effective on June 7, 2013; if
18 vetoed by the governor and subsequently approved by the legislature, this Act shall become
19 effective on June 7, 2013, or on the day following such approval by the legislature,
20 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)]

Barrow

HB No. 34

Abstract: Authorizes certain members of the La. State Employees' Retirement System (LASERS) and the Teachers' Retirement System of La. (TRSL) to transfer an amount equal to their accrued benefit to another qualified plan or conduit retirement account, in certain circumstances.

Present law generally provides that members of public retirement systems cannot take lump-sum distributions of their benefits. Certain limited exceptions to present law exist, such as authority for members to select options at retirement with lump-sum provisions. Proposed law retains present law.

Proposed law provides further exceptions to present law regarding the prohibition of lump-sum transfers.

Proposed law allows members of LASERS and TRSL who are employed by a state hospital and whose jobs are affected by a layoff plan approved by the State Civil Service Commission or the director of the State Civil Service to transfer, regardless of years of service, an amount equal to their accrued benefit to another qualified plan or a retirement account (like an IRA).

Proposed law further requires the director of the State Civil Service to notify the directors of LASERS and TRSL systems when he receives a layoff plan or a layoff avoidance plan affecting a state hospital. Additionally requires the director of the state civil service to notify the directors of LASERS and TRSL of the approval of such a layoff plan or layoff avoidance plan, within one calendar day of such approval.

Proposed law provides that the provisions of proposed law shall become null and of no effect three years after the date they become effective.

Effective June 7, 2013.

(Amends R.S. 11:155; Adds R.S. 11:445.1 and 792.1)