

ACT No. 226

Regular Session, 2014

HOUSE BILL NO. 38

BY REPRESENTATIVE PEARSON

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AN ACT

To amend and reenact R.S. 11:441(A)(2)(b), 461(B)(3)(b), 726(B), 761(A)(3) and (4), 765(A) and (B)(1), 780, 783(A)(3)(a), 786(A)(2) and (3), 802, 1141(A), 1142, and 1147(C)(4) and to enact R.S. 11:441(A)(2)(c), 461(B)(3)(c), 761(A)(5), and 786(A)(4), relative to retirement eligibility for certain new hires in the Louisiana State Employees' Retirement System, the Teachers' Retirement System of Louisiana, and the Louisiana School Employees' Retirement System; to establish new retirement eligibility for certain members hired on or after July 1, 2015; to provide relative to disability retirements; to provide for technical corrections; to provide for an effective date; and to provide for related matters.

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

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:441(A)(2)(b), 461(B)(3)(b), 726(B), 761(A)(3) and (4), 765(A) and (B)(1), 780, 783(A)(3)(a), 786(A)(2) and (3), 802, 1141(A), 1142, and 1147(C)(4) are hereby amended and reenacted and R.S. 11:441(A)(2)(c), 461(B)(3)(c), 761(A)(5), and 786(A)(4) are hereby enacted to read as follows:

§441. Eligibility for retirement

A.

* * *

(2)

* * *

1 (b) Except for members of the Hazardous Duty Services Plan, as defined in
 2 R.S. 11:612, any member whose first employment making him eligible for
 3 membership in one of the state systems occurred on or after January 1, 2011, and on
 4 or before June 30, 2015, including any judge, court officer, governor, lieutenant
 5 governor, clerk or sergeant-at-arms of the House of Representatives, secretary or
 6 sergeant-at-arms of the Senate, or state treasurer, shall be eligible for retirement if
 7 he has:

- 8 (i) Five years or more of service, at age sixty or thereafter.
- 9 (ii) Twenty years of service credit at any age, exclusive of military service
 10 and unused annual and sick leave, but any person retiring under this Item shall have
 11 his benefit, inclusive of military service credit and allowable unused annual and sick
 12 leave, actuarially reduced from the earliest age that he would normally become
 13 eligible for a regular retirement benefit under Item (i) of this Subparagraph if he had
 14 continued in service to that age. Any employee who elects to retire under the
 15 provisions of this Item shall not be eligible to participate in the Deferred Retirement
 16 Option Plan provided by R.S. 11:447 or the Initial Benefit Option provided by R.S.
 17 11:446.

18 (c) Except for members of the Hazardous Duty Services Plan, as defined in
 19 R.S. 11:612, any member whose first employment making him eligible for
 20 membership in one of the state systems occurred on or after July 1, 2015, including
 21 any judge, court officer, governor, lieutenant governor, clerk or sergeant-at-arms of
 22 the House of Representatives, secretary or sergeant-at-arms of the Senate, or state
 23 treasurer, shall be eligible for retirement if he has:

- 24 (i) Five years or more of service, at age sixty-two or thereafter.
- 25 (ii) Twenty years of service credit at any age, exclusive of military service
 26 and unused annual and sick leave, but any person retiring under this Item shall have
 27 his benefit, inclusive of military service credit and allowable unused annual and sick
 28 leave, actuarially reduced from the earliest age that he would normally become
 29 eligible for a regular retirement benefit under Item (i) of this Subparagraph if he had
 30 continued in service to that age. Any employee who elects to retire under the

1 §726. Termination of membership; withdrawal from service after five years;
2 ~~retirement at age sixty~~ regular retirement

3 * * *

4 B.(1) However, any member whose first employment making him eligible
5 for membership in one of the state systems occurred on or before June 30, 2015, who
6 has credit for five or more years of service may withdraw from service and elect to
7 leave his accumulated contributions in the system and, upon reaching age sixty, he
8 shall receive a retirement allowance based on the credits he had at the time of his
9 withdrawal from service.

10 (2) Any member whose first employment making him eligible for
11 membership in one of the state systems occurred on or after July 1, 2015, who has
12 credit for five or more years of service may withdraw from service and elect to leave
13 his accumulated contributions in the system and, upon reaching age sixty-two, he
14 shall receive a retirement allowance based on the credits he had at the time of his
15 withdrawal from service.

16 * * *

17 §761. Retirement benefits; application; eligibility requirements; effective date;
18 cancellation; errors and omissions

19 A.

20 * * *

21 (3) Any person whose first employment making him eligible for membership
22 in one of the state systems occurred on or after January 1, 2011, and on or before
23 June 30, 2015, may retire upon written application to the board of trustees, if at the
24 time of application the member:

25 (a) Has attained the age of sixty years and has credit for five years of
26 accredited service.

27 (b) Has twenty years of service credit at any age, exclusive of unused annual
28 and sick leave and military service other than qualified military service as provided
29 in 26 U.S.C. 414(u) earned on or after December 12, 1994, but any person retiring
30 under this Subparagraph shall have his benefit, inclusive of military service credit

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

1 and allowable unused annual and sick leave, actuarially reduced from the earliest age
 2 that he would normally become eligible for a regular retirement benefit under
 3 Subparagraph (a) of this Paragraph if he had continued in service to that age. Any
 4 member who elects to retire under the provisions of this Subparagraph shall not be
 5 eligible to participate in the Deferred Retirement Option Plan provided by R.S.
 6 11:786 or the Initial Lump-Sum Benefit option provided by R.S. 11:783.

7 (4) Any person whose first employment making him eligible for membership
 8 in one of the state systems occurred on or after July 1, 2015, may retire upon written
 9 application to the board of trustees, if at the time of application the member:

10 (a) Has attained the age of sixty-two years and has credit for five years of
 11 accredited service.

12 (b) Has twenty years of service credit at any age, exclusive of unused annual
 13 and sick leave and military service other than qualified military service as provided
 14 in 26 U.S.C. 414(u) earned on or after December 12, 1994, but any person retiring
 15 under this Subparagraph shall have his benefit, inclusive of military service credit
 16 and allowable unused annual and sick leave, actuarially reduced from the earliest age
 17 that he would normally become eligible for a regular retirement benefit under
 18 Subparagraph (a) of this Paragraph if he had continued in service to that age. Any
 19 member who elects to retire under the provisions of this Subparagraph shall not be
 20 eligible to participate in the Deferred Retirement Option Plan provided by R.S.
 21 11:786 or the Initial Lump-Sum Benefit option provided by R.S. 11:783.

22 (5)(a) A properly executed application for retirement shall be considered as
 23 officially filed when received by the board of trustees of this system. Retirement
 24 benefits shall become effective as of the date a properly executed application for
 25 retirement is received by the board of trustees of this system or the day after the
 26 member terminates from teaching service, whichever is later.

27 (b) A member may cancel his application for retirement only prior to
 28 negotiating, cashing, or depositing any benefit check including an estimated benefit
 29 check.

30 * * *

1 §765. Withdrawal from service after five years; retirement at age sixty

2 A.(1) Any member whose first employment making him eligible for service
 3 in one of the state systems occurred on or before June 30, 2015, who has credit for
 4 five or more years of service may withdraw from service and elect to leave his
 5 accumulated contributions in the system and, upon reaching age sixty, he shall
 6 receive a retirement allowance based on the credits he had at the time of his
 7 withdrawal from service.

8 (2) Any member whose first employment making him eligible for
 9 membership in one of the state systems occurred on or after July 1, 2015, who has
 10 credit for five or more years of service may withdraw from service and elect to leave
 11 his accumulated contribution in the system and, upon reaching age sixty-two, he
 12 shall receive a retirement allowance based on the credits he had at the time of his
 13 withdrawal from service.

14 B.(1) The retirement allowance under this Section shall be due and payable
 15 by the system effective the first day of the month following the attainment of the age
 16 sixty required pursuant to Subsection A of this Section, but shall not be paid until a
 17 written application for retirement is executed and filed with the system.

18 * * *

19 §780. Reexamination of ~~beneficiaries retired for disability~~ retirees; modification of
 20 benefits; restoration to active service

21 A. Once each year during the first five years following any retirement of a
 22 member on a disability retirement allowance and once in every three-year period
 23 thereafter, the board of trustees shall require any disability ~~beneficiary~~ retiree whose
 24 first employment making him eligible for membership in one of the state systems
 25 occurred on or before June 30, 2015, who has not yet attained the age of sixty years
 26 and any disability retiree whose first employment making him eligible for
 27 membership in one of the state systems occurred on or after July 1, 2015, who has
 28 not yet attained the age of sixty-two to undergo a medical examination at the
 29 ~~beneficiary's~~ retiree's expense, to be made at the place of residence of the ~~beneficiary~~
 30 retiree or other place mutually agreed upon, by a physician or physicians designated

1 by the board of trustees. The periodic reexaminations may be discontinued upon
 2 advice of the medical board that the retiree's condition is either terminal or that
 3 chances of recovery are highly improbable. If any such disability ~~beneficiary retiree~~
 4 ~~who has not yet attained the age of sixty years~~ refuses to submit to at least one
 5 medical examination in any such year by a physician or physicians designated by the
 6 board of trustees, his allowance may be discontinued until his withdrawal of such
 7 refusal; but if his refusal continues for one year, all of his rights in and to his pension
 8 may be revoked by the board of trustees.

9 B. Every disability ~~beneficiary retiree~~ except a disability ~~beneficiary retiree~~
 10 who had no earnings and is determined by the Teachers' Retirement System of
 11 Louisiana to be incapacitated or who is residing in a nursing home shall submit to
 12 the board of trustees by May first of every year, a notarized annual earnings
 13 statement detailing his earned income from employment in the previous tax year.
 14 Should a ~~beneficiary retiree~~ refuse to submit such an earnings statement by May
 15 first, his allowance may be discontinued without retroactive reimbursement, until the
 16 statement is filed. Should his refusal continue for the remainder of the calendar year,
 17 all his rights in and to his disability pension may be revoked by the board of trustees.

18 C.(1) Notwithstanding the provisions of R.S. 11:221, if the medical board
 19 reports and certifies to the board of trustees that a disability ~~beneficiary retiree~~ is able
 20 to engage in a gainful occupation paying more than the difference between his
 21 retirement allowance and the average final compensation, and if the board of trustees
 22 concurs in this report, then, except as provided in either Paragraph (2) or (3) of this
 23 Subsection, the amount of his pension shall be reduced to an amount which, together
 24 with his annuity and the amount earnable by him, shall equal the amount of his
 25 average final compensation. If his earning capacity is later changed, the amount of
 26 his pension may be further modified; ~~provided, that~~ however, the new pension shall
 27 not exceed the amount of the pension originally granted nor an amount which, when
 28 added to the amount earnable by the ~~beneficiary retiree~~ together with his annuity,
 29 equals the amount of his average final compensation.

1 (2)(a) The pay which is used to reduce benefits pursuant to Paragraph (1) of
 2 this Subsection shall not include the amount equal to the difference between the
 3 ~~beneficiary's~~ retiree's total annual benefit and the poverty threshold for a family unit
 4 of one person under age sixty-five as determined by the United States Bureau of the
 5 Census for the year in which such pay is earned.

6 (b) Any disability ~~beneficiary~~ retiree who is engaged in a gainful occupation
 7 shall provide such information or documentation as may be requested by the system
 8 to implement the provisions of this Paragraph.

9 (3)(a) If, pursuant to the provisions of this Subsection, the board of trustees
 10 reduces the pension of any disability ~~beneficiary~~ retiree of this system who retired
 11 pursuant to a reciprocal agreement between this system and any other state or
 12 statewide public retirement system, the reduction shall be subject to Subparagraph
 13 (b) of this Paragraph, provided the ~~beneficiary~~ retiree satisfies all of the following
 14 provisions of this Subparagraph:

15 (i) The vocational rehabilitation program within the Department of Children
 16 and Family Services furnishes the ~~beneficiary~~ retiree with durable medical
 17 equipment for use, subject to a requirement that the ~~beneficiary~~ retiree be engaged
 18 in a gainful occupation for at least twenty hours per week.

19 (ii) The ~~beneficiary~~ retiree furnishes any documentation as may be requested
 20 by the Teachers' Retirement System of Louisiana.

21 (b) Any income earned while working the twenty hours required by the
 22 vocational rehabilitation program in order to use such durable medical equipment
 23 shall not be included in the pay which is used to implement Paragraph (1) of this
 24 Subsection. Any income which is derived from the same employment, but which is
 25 derived from work in excess of the twenty hours required in relation to such
 26 equipment shall be included for purposes of implementing Paragraph (1) of this
 27 Subsection.

28 D. For the purposes of this Section, there shall be an annual cost-of-living
 29 adjustment to the average final compensation figure used in the modification
 30 computations. This cost-of-living adjustment shall be based upon and directly reflect

1 the annual percentage increase or decrease in the Consumer Price Index for the
2 preceding calendar year.

3 E. If any disability ~~beneficiary~~ retiree is restored to active service, his
4 retirement allowance shall cease, he shall again become a member of the retirement
5 system, and he shall contribute thereafter at the current rate in effect at the time he
6 is restored to service, and if he contributes for at least three years, the period of time
7 on disability shall be counted as accredited service for purposes of establishing
8 retirement eligibility, but not for computation of benefits. Any prior service
9 certificate on the basis of which his service was computed at the time of his
10 retirement shall be restored to full force and effect and, in addition, upon his
11 subsequent retirement he shall be credited with all his service as a member.

12 * * *

13 §783. Selection of option for method of payment after death of member

14 A.

15 * * *

16 (3) Initial Lump-Sum Benefit. (a) If a member has not participated in the
17 Deferred Retirement Option Plan provided by the provisions of this Chapter, he shall
18 be eligible to select an initial lump-sum benefit. The initial lump-sum benefit shall
19 be available to any member of the system whose first employment making him
20 eligible for membership in one of the state retirement systems occurred on or before
21 December 31, 2010, and who has thirty years of creditable service, or is at least age
22 fifty-five and has twenty-five years of creditable service, or is at least age sixty and
23 has ten years of creditable service. Any member of the system whose first
24 employment making him eligible for membership in one of the state retirement
25 systems occurred on or after January 1, 2011, and on or before June 30, 2015, may
26 select the initial lump-sum benefit if he is at least age sixty and has five years of
27 service. Any member of the system whose first employment making him eligible for
28 membership in one of the state retirement systems occurred on or after July 1, 2015,
29 may select the initial lump-sum benefit if he is at least age sixty-two and has five
30 years of service. If the maximum benefit, Option 2, 2A, 3, 3A, 4, or 4A above is

1 chosen, then the member may further elect to receive a reduced retirement allowance
2 plus an initial benefit. The creditable service referenced in this Paragraph shall not
3 include unused accumulated sick leave and unused accumulated annual leave.

4 * * *

5 §786. Deferred Retirement Option Plan

6 A.

7 * * *

8 (2) Any member of this system whose first employment making him eligible
9 for membership in one of the state retirement systems occurred on or after January
10 1, 2011, and on or before June 30, 2015, and who is not covered by R.S. 11:801 and
11 who has five years of service credit and is at least age sixty may elect to participate
12 in the Deferred Retirement Option Plan.

13 (3) Any member of this system whose first employment making him eligible
14 for membership in one of the state retirement systems occurred on or before June 30,
15 2015, who is covered by the provisions of R.S. 11:801 who has thirty years of
16 service credit and is at least age fifty-five or has ten years of service credit and is at
17 least age sixty may elect to participate in the Deferred Retirement Option Plan.

18 (4) Any member of this system whose first employment making him eligible
19 for membership in one of the state retirement systems occurred on or after July 1,
20 2015, who has at least five years of service credit and is at least age sixty-two may
21 elect to participate in the Deferred Retirement Option Plan.

22 * * *

23 §802. Eligibility for regular retirement

24 A. Any member covered by R.S. 11:801 whose first employment making
25 him eligible for membership in one of the state systems occurred on or before June
26 30, 2015, shall be eligible to retire if he has at least:

- 27 (1) Thirty years of creditable service, and is at least age fifty-five.
- 28 (2) Five years of creditable service, and is at least age sixty.

1 B. Any member covered by R.S. 11:801 whose first employment making
2 him eligible for membership in a state system occurred on or after July 1, 2015, shall
3 be eligible to retire if he has at least:

4 (1) Five years of creditable service, and is at least age sixty-two.

5 (2) Twenty years of service credit at any age, exclusive of unused annual and
6 sick leave and military service other than qualified military service as provided in 26
7 U.S.C. 414(u) earned on or after December 12, 1994, but any person retiring under
8 this Paragraph shall have his benefit, inclusive of military service credit and
9 allowable unused annual and sick leave, actuarially reduced from the earliest age that
10 he would normally become eligible for a regular retirement benefit under Paragraph
11 (1) of this Subsection if he had continued in service to that age. Any member who
12 elects to retire under the provisions of this Paragraph shall not be eligible to
13 participate in the Deferred Retirement Option Plan provided by R.S. 11:786 or the
14 Initial Lump-Sum Benefit option provided by R.S. 11:783.

15 * * *

16 §1141. Retirement benefits; application; eligibility requirements; effective date;
17 cancellation

18 A. Any member whose first employment making him eligible for
19 membership in one of the state systems occurred on or before June 30, 2010, may
20 retire upon written application to the board of trustees, if the member at the time of
21 application has attained the age of sixty years and has credit for ten years of
22 accredited service or has attained the age of fifty-five years and has credit for
23 twenty-five or more years of accredited service or at any age with thirty or more
24 years of accredited service. Any member whose first employment making him
25 eligible for membership in one of the state systems occurred on or after July 1, 2010,
26 and on or before June 30, 2015, may retire upon written application to the board of
27 trustees, if the member at the time of application has attained the age of sixty years
28 and has credit for five years of accredited service. Any member whose first
29 employment making him eligible for membership in one of the state systems
30 occurred on or after July 1, 2015, may retire upon written application to the board

1 systems occurred on or before June 30, 2015, shall no longer be required to submit
2 to regular medical exams nor to file the annual income report upon attainment of age
3 sixty ~~and thereafter~~.

4 (b) Regardless of the effective date of his retirement and notwithstanding the
5 provisions of R.S. 11:220(A) and 221(C), a disability retiree whose first employment
6 making him eligible for membership in one of the state systems occurred on or after
7 July 1, 2015, shall no longer be required to submit to regular medical exams nor to
8 file the annual income report upon attainment of age sixty-two.

9 Section 2. This Act shall become effective on June 30, 2014; if vetoed by the
10 governor and subsequently approved by the legislature, this Act shall become effective on
11 June 30, 2014, or on the day following such approval by the legislature, whichever is later.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____