#### Regular Session, 2012

#### HOUSE BILL NO. 988

#### BY REPRESENTATIVE JONES AND SENATORS NEVERS AND WARD

1	AN ACT
2	To amend and reenact R.S. 11:546(C) and 2257(C) and to enact R.S. 11:444(A)(2)(d),
3	546(D), (E), and (F), and 605(D), relative to retirement benefits for persons
4	employed in public safety positions; to provide for benefit calculation and options
5	for payment of such benefits; to provide for funding of such benefits; to provide
6	relative to the deferred retirement option plan participation; to provide for
7	qualifications; to authorize an extension of the period for members currently in the
8	plan; and 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. 11:546(C) and 2257(C) are hereby amended and reenacted and R.S.
14	11:444(A)(2)(d), 546(D), (E), and (F), and 605(D) are hereby enacted to read as follows:
15	§444. Computation of retirement benefit
16	А.
17	* * *
18	(2)
19	* * *
20	(d)(i) Probation and parole officers in the office of adult services of the
21	Department of Public Safety and Corrections who were employed on or before
22	December 31, 2001, who did not opt to join the secondary component of this system
23	pursuant to R.S. 11:605(A), and who retire or begin participation in the Deferred

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1	Retirement Option Plan on or after July 1, 2012, shall receive a maximum retirement
2	allowance equal to three percent of average compensation, as determined pursuant
3	to R.S. 11:231, for every year of creditable service in the retirement system before
4	July 1, 2012, and three and one-third percent of average compensation, as
5	determined by R.S. 11:231, for every year of creditable service in the retirement
6	system on or after July 1, 2012.
7	(ii) A probation and parole officer to whom this Subparagraph applies, who
8	entered the Deferred Retirement Option Plan before July 1, 2012, and who continues
9	in employment after participation in the plan shall receive a supplemental benefit
10	pursuant to R.S. 11:450(D) for such continued employment. If he remains employed
11	after July 1, 2012, such supplemental benefit shall be calculated using the accrual
12	rate of three percent for post-participation employment before July 1, 2012, and three
13	and one-third percent for such employment on or after July 1, 2012.
14	(iii) Nothing in this Subparagraph shall be construed to allow recalculation
15	of benefits for any retiree, or of base benefits as defined in R.S. 11:450(D) for any
16	Deferred Retirement Option Plan participant or for any person who continued in
17	employment after completing participation in such plan.
18	* * *
19	§546. Adult Probation and Parole Officer Retirement Fund
20	* * *
21	C. Monies in the fund shall be invested in the same manner as the state
22	general fund monies. Interest earned on the investment of monies in the fund, after
23	being credited to the Bond Security and Redemption Fund pursuant to Article VII,
24	Section 9(B) of the Constitution of Louisiana, shall be credited to the fund. All
25	unexpended and unencumbered monies and earnings remaining in the fund at the end
26	of the fiscal year shall remain in the fund, until the legislature provides for enhanced
27	benefits for probation and parole officers in the office of adult services of the
28	Department of Public Safety and Corrections who have service credit in the primary
29	component of the system.

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1	D.(1) Until any actuarially accrued liability for retirement benefits for
2	probation and parole officers in the office of adult services of the Department of
3	Public Safety and Corrections created pursuant to the Act of the 2012 Regular
4	Session of the Legislature that enacted this Subsection has been fully funded, the
5	monies in the fund shall be used exclusively for the purpose of providing funding for
6	such actuarially accrued liability, for payment of any normal cost increase caused by
7	the Act of the 2012 Regular Session of the Legislature that amended this Subsection,
8	and for reimbursement as provided in R.S. 11:605(D)(2).
9	(2) If the legislature does not provide for such benefit enhancements by June
10	<del>30, 2015</del> After such actuarially accrued liability has been fully funded, all monies in
11	the fund shall be available to the Department of Public Safety and Corrections to
12	help defray the costs of supervision of persons on probation or parole distributed by
13	the treasurer on an annual basis to the retirement system for exclusive use in
14	payment of the unfunded accrued liability of the system.
15	E.(1) As soon as practicable after the effective date of the Act of the $2012$
16	Regular Session of the Legislature which enacted this Subsection, but no later than
17	September 30, 2012, the treasurer shall allocate and distribute to the system from the
18	fund an initial payment of two and one-half million dollars. This payment shall be
19	used first to fully fund the first year's normal cost increase. The balance shall be
20	applied to the amortization of the unfunded accrued liability, if any, created by
21	enactment of R.S. 11:444(A)(2)(d). The June 30, 2012, system valuation shall
22	account for this initial payment.
23	(2) On October 1, 2013, and on or before October first of each fiscal year
24	thereafter, the treasurer shall allocate and distribute to the system from the fund the
25	amount of any amortization and normal cost payments calculated by the system
26	actuary and contained in the system's valuation for the previous fiscal year and
27	approved by the Public Retirement Systems' Actuarial Committee to be paid from
28	the fund; however, in no case shall the allocation and distribution to the system
29	provided for in this Paragraph exceed the balance in the fund.

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1	(3) In addition to the payment required by Paragraph (2) of this Subsection,
2	on or before October first of each fiscal year, the treasurer shall allocate and
3	distribute to the system from the fund any amount over four hundred thousand
4	dollars of the balance remaining in the fund after the payment required by Paragraph
5	(2) of this Subsection has been made. Thereafter, not less than quarterly, the
6	treasurer shall allocate and distribute to the system any balance remaining in the fund
7	exceeding four hundred thousand dollars. The system shall hold these allocations
8	and distributions in a separate account to be used only for the following purposes:
9	(a) Funding the next fiscal year's payment for actuarially accrued liability
10	and normal cost payable pursuant to Paragraph (2) of this Subsection, if the balance
11	in the fund is insufficient to fully finance that fiscal year's payment.
12	(b) To make an additional payment toward the actuarially accrued liability
13	created by the Act of the 2012 Regular Session of the Legislature that enacted this
14	Subsection.
15	(4) Any unpaid portion of an amortization or normal cost payment for a
16	particular fiscal year shall be included in the next year's system valuation as part of
17	an individualized calculation pursuant to R.S. 11:102(C)(3) and (4).
18	F. After allocation and distribution to the system for a fiscal year pursuant
19	to Paragraph (E)(2) of this Section, the treasurer shall allocate and distribute to the
20	department from the fund the amount of any reimbursement to be paid pursuant to
21	<u>R.S. 11:605(D)(2).</u>
22	* * *
23	§605. Transfer of other service credit
24	* * *
25	D.(1) Notwithstanding the provisions of Subparagraph (B)(2)(a) of this
26	Section, any member who is a probation and parole officer in the office of adult
27	services of the Department of Public Safety and Corrections, who was employed on
28	or before December 31, 2001, who elected to transfer from the primary component
29	to the secondary component but who opted not to transfer his primary component
30	service credit on an actuarial basis, who has not upgraded his service credit as

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1	permitted pursuant to Subparagraph (B)(2)(b) of this Section, and who retires or
2	begins participation in the Deferred Retirement Option Plan on or after July 1, 2012,
3	shall receive a benefit calculated using a three percent accrual rate for all creditable
4	service in the system earned before the date the member transferred to the secondary
5	component.
6	(2)(a) Any member who is a probation and parole officer in the office of
7	adult services of the Department of Public Safety and Corrections, who was
8	employed on or before December 31, 2001, who retires or begins participation in the
9	Deferred Retirement Option Plan on or after July 1, 2012, who elected to transfer
10	from the primary component to the secondary component, and who upgraded his
11	service credit as permitted pursuant to Subparagraph (B)(2)(b) of this Section, may
12	elect to be reimbursed without interest for the cost of such upgrade and to have his
13	benefit calculated using a three percent accrual rate for all creditable service in the
14	system earned before the date the member transferred to the secondary component.
15	(b) Such reimbursement shall be made exclusively from the monies in the
16	fund created pursuant to R.S. 11:546. The department shall promulgate rules for
17	application for, calculation of, and recommendation to the Joint Legislative
18	Committee on the Budget regarding such reimbursement. No application for such
19	reimbursement shall be accepted before October 3, 2012.
20	(c) The department shall inform the system of the amount of each
21	reimbursement and to whom it was made. The system shall apply an amount equal
22	to each reimbursement to the credit of the department in the next year's valuation
23	and shall add the liability for each reimbursed member's benefit increase to the
24	balance owed to the system.
25	* * *
26	§2257. Deferred Retirement Option Plan
27	* * *
28	C. The duration of participation in the plan shall be specified and shall not
29	exceed three years. the following:

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1	(1) Three years for any member who has at least twenty but less than twenty-
2	seven years of creditable service.
3	(2) Five years for any member who has at least twenty-seven years of
4	creditable service.
5	* * *
6	Section 2. Any person who has at least twenty-seven years of creditable service and
7	who is participating in the deferred retirement option plan of the Firefighters' Retirement
8	System on the effective date of this Act shall be allowed to extend his participation in the
9	plan up to the five-year period provided for in this Act.
10	Section 3.(A) The amount of the unfunded actuarially accrued liability, if any,
11	resulting from the implementation of the provisions of this Act applicable to the Louisiana
12	State Employees' Retirement System and a required amortization payment therefor shall be
13	determined by the Public Retirement Systems' Actuarial Committee as part of the annual
14	adoption of the systems' official actuarial valuation pursuant to R.S. 11:127, beginning with
15	the June 30, 2012, valuation. This determination shall include the initial payment required
16	for October 1, 2012. Such unfunded actuarially accrued liability shall be amortized as a
17	separate unfunded accrued liability forming level dollar payments over a period of ten years.
18	(B) The additional actuarial cost, if any, of the benefit provisions contained in this
19	Act not funded by payments pursuant to Section 3(A) of this Act shall be funded with
20	increased employer contributions in compliance with Article X, Section 29(F) of the
21	Constitution of Louisiana.
22	Section 4. Benefits provided for pursuant to this Act shall not be suspended,
23	reduced, or denied unless a final, nonappealable judgment declaring this Act unconstitutional
24	has been rendered by a court of competent jurisdiction.
25	Section 5. The provisions of this Act shall be nonseverable.
26	Section 6. This Act shall become effective upon signature by the governor or, if not
27	signed by the governor, upon expiration of the time for bills to become law without signature
28	by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

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- 1 vetoed by the governor and subsequently approved by the legislature, this Act shall become
- 2 effective on the day following such approval.

### SPEAKER OF THE HOUSE OF REPRESENTATIVES

### PRESIDENT OF THE SENATE

### GOVERNOR OF THE STATE OF LOUISIANA

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