

Regular Session, 2012

SENATE BILL NO. 41

BY SENATOR GUILLORY

STATE EMPLOYEES. Provides for a one-time lump-sum supplement for certain retirees.
(2/3 - CA 10s29(F) (6/30/12)

1 AN ACT

2 To enact R.S. 11:542.1.2, relative to the Louisiana State Employees' Retirement System; to
3 provide for benefits for certain retirees, beneficiaries, and survivors; to provide for
4 a one-time benefit supplement; to provide for funding; to provide an effective date;
5 and to provide for related matters.

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

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 11:542.1.2 is hereby enacted to read as follows:

9 **§542.1.2. Lump sum benefit supplement**

10 **A. Notwithstanding any provision of law to the contrary, a nonrecurring**
11 **lump-sum benefit supplement shall be paid from funds allocated to the**
12 **experience account as further provided in this Section. The benefit supplement**
13 **shall be paid before or concurrent with any permanent benefit increase paid**
14 **from experience account funds pursuant to R.S. 11:542 or any other law.**

15 **B. The supplement shall be granted to the following persons:**

16 **(1) Retirees who, on June 30, 2012:**

17 **(a) Are at least seventy-five years of age.**

1 (b) Have thirty or more years of service credit, exclusive of unused leave.

2 (c) Have been retired for twenty years or more.

3 (d) Have not participated in the Deferred Retirement Option Plan
 4 pursuant to R.S. 11:447 and did not select an Initial Benefit Option pursuant to
 5 R.S. 11:446(A)(5).

6 (2) Any beneficiary who receives a benefit from the system based on the
 7 service of a deceased member who, if he had lived to the date the benefit is
 8 granted, would fulfill the requirements of Paragraph (1) of this Subsection.

9 C. The supplement shall be the greater of three hundred dollars or two
 10 percent of the normal annual benefit, payable in a single lump sum following
 11 the adoption by the Public Retirement Systems' Actuarial Committee of the
 12 first valuation dated on or after June 30, 2012, in which the balance of the
 13 experience account is sufficient to fund the supplement on an actuarial basis.
 14 The enactment of this Section shall serve as legislative authorization to grant the
 15 supplement and no additional action by the legislature shall be necessary to
 16 authorize the payment.

17 D. Authority to grant a supplement pursuant to this Section shall
 18 terminate after one supplement has been granted.

19 Section 2. This Act shall become effective on June 30, 2012; if vetoed by the
 20 governor and subsequently approved by the legislature, this Act shall become effective on
 21 June 30, 2102, 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 41)

Proposed law provides for a lump sum supplemental benefit to be paid from funds in the experience account in the first year in which the account balance will fully fund such supplement. Provides that the supplement shall be paid before or concurrent with any permanent benefit increase paid from experience account funds pursuant to present law.

Proposed law provides that the supplement shall be the greater of \$300 or 2% of the normal annual benefit, payable in a single lump sum. Specifies that enactment of proposed law shall serve as legislative authorization to grant the supplement and no additional action by the

legislature shall be necessary to authorize the payment.

Proposed law provides that the supplement shall be granted to the following persons:

1. Retirees who, on June 30, 2012:
 - (a) Are at least 75 years of age.
 - (b) Have 30 or more years of service credit, exclusive of unused leave.
 - (c) Have been retired for 20 years or more.
 - (d) Have not participated in the Deferred Retirement Option Plan and did not select an Initial Benefit Option.
2. Any beneficiary who receives a benefit from the system based on the service of a deceased member who, if he had lived to the date the benefit is granted, would fulfill the requirements of (1) of above.

Proposed law provides that the authority to grant a supplement pursuant to proposed law shall terminate after one supplement has been granted.

Effective June 30, 2012.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Retirement to the original bill

1. Provides for a one-time lump-sum supplement.