

SENATE BILL NO. 9

BY SENATOR GAUTREAUX

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

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AN ACT

To amend and reenact R.S. 11:429(B), relative to the purchase of service credit in the Louisiana State Employees' Retirement System; to provide for the purchase of service credit and the use of such credit for the purpose of attaining eligibility for retirement; to provide relative to the payment of insurance premiums for individuals purchasing such service credit; to provide for an effective date; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:429(B) is hereby amended and reenacted to read as follows:

§429. Purchase of service credit

* * *

B.(1) Notwithstanding any other provision of law to the contrary, any member of the system who has credit in the system for at least five years of service shall be eligible to obtain credit for up to five years of service credit in one-year increments provided that he shall apply to the system for such credit and pay to the system the greater of the amount calculated in accordance with the actuarial cost provisions of R.S. 11:158 ~~or the employee and employer contributions plus interest based on the member's current salary, which totally offsets the increase in accrued liability of the system resulting from the receipt of the credit by the member,~~ **excluding R.S. 11:158(C)(1)(b), or the employee contributions for each additional year of service credit being obtained based upon the greater of the member's current salary or the member's current final average compensation.**

The amount to be paid shall be paid in one lump sum, and no service credit shall be given to the member until or unless the amount is paid in full. Any credit purchased pursuant to this ~~Subsection~~ **Paragraph** shall be used for calculation of benefits only and shall not be used for purposes of attaining eligibility for retirement **except as**

1 otherwise authorized in this Subsection.

2 (2) Notwithstanding any other provision of law to the contrary, any
3 member of the system who has credit in the system for at least five years of
4 service shall be eligible to obtain credit for purposes of attaining eligibility for
5 retirement and calculation of benefits for up to five years of service credit in
6 one-year increments provided that he shall apply to the system for such credit
7 and pay the greater of the amount calculated in accordance with the actuarial
8 cost provisions of R.S. 11:158, excluding R.S. 11:158(C)(1)(b), or the employee
9 contributions for each additional year of service credit being obtained based
10 upon the greater of the member's current salary or the member's current final
11 average compensation. The amount to be paid shall be paid in one lump sum,
12 and no service credit shall be given to the member until or unless the amount
13 is paid in full.

14 (3) Notwithstanding any other provision of law to the contrary, any
15 member of the system who has purchased service credit under the provisions
16 of Paragraph (1) of this Subsection shall be eligible to upgrade all or a portion
17 of the service credit previously purchased for calculation of benefits to service
18 credit for attaining eligibility and benefit calculation in one-year increments
19 provided that he shall apply to the system for such credit and pay to the system
20 the actuarial cost of such upgrade calculated in accordance with the actuarial
21 cost provisions of R.S. 11:158, excluding 11:158(C)(1)(b). The amount to be
22 paid shall be paid in one lump sum, and no service credit shall be given to the
23 member until or unless the amount is paid in full.

24 (4) Notwithstanding any other provision of law to the contrary, the
25 premiums for health insurance coverage paid by any retiree participating in the
26 office of group benefits program who has purchased service credit pursuant to
27 Paragraph (2) or (3) of this Subsection, and who retires earlier than he would
28 otherwise have been eligible for regular retirement without such purchased
29 credit, shall be increased by an amount sufficient to pay for any increase in the
30 employer's premiums that results from such retirement. Such increase in the

1 retiree's premium shall be deducted from the retiree's monthly benefit and
 2 remitted to the office of group benefits to offset the employer's premium
 3 payments by such amount. The premium payments made pursuant to this
 4 Paragraph shall cease when the retiree attains the age at which his earned
 5 creditable service, not including service purchased pursuant to this Subsection,
 6 would have been sufficient to meet eligibility requirements for regular
 7 retirement.

8 Section 2. This Act shall become effective on July 1, 2011; if vetoed by the governor
 9 and subsequently approved by the legislature, this Act shall become effective on July 1,
 10 2011, or on the day following such approval by the legislature, whichever is later.

 PRESIDENT OF THE SENATE

 SPEAKER OF THE HOUSE OF REPRESENTATIVES

 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____