

2021 Regular Session

SENATE BILL NO. 13

BY SENATOR PRICE

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

STATE POLICE RETIREMENT. Allows upgrade of accrual rate applicable to transferred service credit. (gov sig)

1 AN ACT

2 To enact R.S. 11:1305.1, relative to the State Police Retirement System; to provide relative

3 to the transfer of service credit from another Louisiana public retirement system,

4 fund, or plan; to provide with respect to an upgrade of the accrual rate applicable to

5 service credit transferred; to provide for determination and funding of the cost of the

6 upgrade; to provide for an effective date; and to provide for related matters.

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

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 11:1305.1 is hereby enacted to read as follows:

10 **§1305.1. Transfer of service credit; purchase of accrual rate**

11 **Notwithstanding any provision of R.S. 11:143(D) to the contrary, any**

12 **member of the State Police Retirement System who, pursuant to R.S. 11:143,**

13 **has transferred service credit from another retirement system, fund, or plan at**

14 **an accrual rate lower than the accrual rate applicable to the member's service**

15 **credit earned in this system may purchase the accrual rate of this system for**

16 **application to all or a portion of the member's transferred service credit by**

17 **paying an amount calculated on an actuarial basis in accordance with R.S.**

1 **11:158(C) that totally offsets the increase in accrued liability of this system**
 2 **resulting from the upgrade in the accrual rate applicable to the member's**
 3 **transferred service credit.**

4 Section 2. The cost of this Act shall be funded with the employee payments required
 5 by Section 1 of this Act. Any additional cost of this Act shall be funded with additional
 6 employer contributions in compliance with Article X, Section 29(F) of the Louisiana
 7 Constitution.

8 Section 3. This Act shall become effective upon signature by the governor or, if not
 9 signed by the governor, upon expiration of the time for bills to become law without signature
 10 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 11 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 12 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Angela L. DeJean.

DIGEST		
SB 13 Original	2021 Regular Session	Price

Present law (R.S. 11:143), relative to La. public retirement systems, provides for the transfer of credit between systems. Provides for transfer of service, actuarial liability, and funds. Provides for the payment of any deficit in funding. Provides for calculation of the portion of the benefit payable by the receiving system based on credit from the transferring system.

Present law specifies that the accrual rate of the transferring system shall be used to calculate that portion of the benefit based on the credit transfer. If the accrual rate of the receiving system is greater than that of the transferring system, present law allows the person executing the transfer to purchase the accrual rate of the receiving system. Requires payment for purchase of the accrual rate upgrade to be calculated on an actuarial basis.

Proposed law retains present law.

Proposed law, relative to the State Police Retirement System (SPRS), provides that notwithstanding the provisions of present law, any member of the system who has transferred service credit under present law at an accrual rate lower than the member's accrual rate at SPRS may upgrade the accrual rate of all or a portion of the member's transferred service credit by paying the full actuarial cost.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 11:1305.1)