

SENATE BILL NO. 17

BY SENATOR PEACOCK

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AN ACT

To amend and reenact R.S. 11:142(F)(3), (G), and (K), 152(C), and 153(F) and 29:411(B), 412, 414, and 415(A)(1) and (D) and to enact R.S. 11:152.1 and 153(L), relative to creditable service in public retirement and pension systems, plans, and funds for service in the uniformed services; to provide relative to contributions, procedures, time limitations, and costs; to provide for rules promulgation; 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. 11:142(F)(3), (G), and (K), 152(C), and 153(F) are hereby amended and reenacted and R.S. 11:152.1 and 153(L) are hereby enacted to read as follows:

§142. Reciprocal recognition of credited service in state, parochial, and municipal systems

* * *

F. Each system in which a member has membership service credit shall compute the benefits due from that system using its benefit formula in effect on the date of retirement, or on the date of death while in service, and in addition, the following provisions shall apply:

* * *

(3) If two or more systems provide a ~~lump-sum~~ **lump-sum** benefit as part of the formula benefit, as in the Louisiana State Employees' Retirement System, the Teachers' Retirement System of Louisiana, and the **Louisiana** School Employees' Retirement System ~~of Louisiana~~, but not limited to these systems, each such system shall pay only that percentage of the additional ~~lump-sum~~ **lump-sum** benefit that credited service in that system represents of total credited service with respect to all of the systems which provide an additional ~~lump-sum~~ **lump-sum** benefit; however,

1 in no instance shall the total additional ~~lump-sum~~ **lump-sum** benefit payable by all
 2 of the systems be less than the greatest ~~lump-sum~~ **lump-sum** benefit payable by any
 3 of them, and if the total benefit payable as above provided is less than such greatest
 4 ~~lump-sum~~ **lump-sum** benefit, the system having the greatest ~~lump-sum~~ **lump-sum**
 5 benefit shall pay the difference.

* * *

7 G. No more than one year of membership service shall be credited for any
 8 one calendar or fiscal year, and there shall be no duplication of membership service
 9 credit for any period, including military service. ~~No~~ **Except as required by federal**
 10 **law, no** more than a total of four years of military service shall be credited unless
 11 five years of such credit has been obtained under the rules applicable in a system, in
 12 which instance a maximum of five years shall be credited. In the event of
 13 duplication of military service credit in more than one system or a total credit for
 14 military service in excess of five years, the retirement systems involved shall
 15 mutually agree on an appropriate procedure to assure that maximum credit in all
 16 systems does not exceed five years.

* * *

18 K. In those retirement systems where thirty-six months or three years **or**
 19 **sixty months or five years** is used in the computation of average compensation, the
 20 average salary shall be computed on the actual time in the retirement system when
 21 the person has less than ~~thirty-six~~ **the required number of** months of service but
 22 eighteen or more months of service credit.

* * *

24 §152. Military service credit

* * *

26 C. If **Except for credit for military service purchased on an actuarial**
 27 **basis, if** credit for military service is otherwise allowed by a retirement system set
 28 forth in Subsection B of this Section, it shall ~~only~~ be allowable **only** for members
 29 who leave employment covered by the retirement system to which they belong to
 30 enter the military service, and who return to employment covered by a system set

1 forth in Subsection B of this Section within one year after release from such military
2 service. In other respects, the terms and conditions of the receipt of such credit shall
3 be controlled by the law governing each particular retirement system.

4 §152.1. Compliance with certain federal laws

5 Notwithstanding any other provision of law to the contrary, the board
6 of trustees of each Louisiana public retirement system, as defined in R.S.
7 29:403, shall comply with the requirements of the Uniformed Services
8 Employment and Reemployment Rights Act (USERRA, 38 U.S.C. 4301 et seq.).
9 Each board of trustees shall promulgate rules to comply with the provisions of
10 USERRA and any rules or regulations issued by the United States Department
11 of Labor or any other federal agency relating to USERRA. The rules so
12 promulgated shall be considered plan provisions of the retirement system.

13 §153. ~~Credit~~ Purchase of service credit for military service

14 * * *

15 F. Military service credit shall not be used as the highest thirty-six or sixty
16 successive months, or as the highest thirty-six or sixty joined months of employment
17 where interruption of service occurred, in computing the average compensation for
18 retirement benefit computation.

19 * * *

20 L. Creditable service for service in the uniformed services gained
21 through the application of USERRA shall not be considered a purchase of
22 military service credit for purposes of this Section.

23 Section 2. R.S. 29:411(B), 412, 414, and 415(A)(1) and (D) are hereby amended and
24 reenacted to read as follows:

25 §411. Retirement credit

26 * * *

27 B. ~~No~~ Except as required pursuant to federal law, no employee shall
28 receive more than a total of four years of military service credit in the retirement
29 system, pension fund, or employee benefit plan applicable to his employment,
30 pursuant to this Part.

1 §412. Contributions; payment during military service

2 Any employee may, at his option, pay the required employee contributions
 3 to the retirement system, pension fund, or employee benefit plan applicable to his
 4 employment; during his period of service in the uniformed services ~~and if,~~ **provided**
 5 the payment of contributions is permitted by the Internal Revenue Code; if the plan
 6 is a qualified plan. The employee shall timely furnish his employer with sums equal
 7 to ~~that which~~ **those that** would have been deducted from his compensation for
 8 retirement system coverage, as required under the public retirement system or
 9 employee benefit plan. Upon such receipt, the employer shall remit the employee
 10 contributions to the applicable system or plan, including the employer contributions
 11 that would have been contributed on behalf of the employee. The employee shall
 12 notify his employer of his election to pay the required employee contributions to the
 13 applicable system or plan at the time he enters service in the uniformed services.

14 * * *

15 §414. Public retirement systems; payment of contributions; interest

16 A. Any employee, who did not elect to make employee contributions
 17 pursuant to R.S. 29:412 to the public retirement system applicable to his employment
 18 during his period of service in the uniformed services, shall be entitled to receive
 19 credit for his service in the uniformed services toward establishing retirement
 20 eligibility and for computation of benefits, upon payment into the system an amount
 21 equal to the employee contributions that would have been paid had the employee
 22 continued in employment and not been called to service in the uniformed services,
 23 ~~together with~~ **and, to the extent permitted by federal law,** interest thereon at the
 24 valuation interest rate of the system or plan in effect at the time payment is made.
 25 The contributions shall be based on the salary, including any increases in
 26 compensation that the employee would have received had he remained in
 27 employment during the period of service in the uniformed services.

28 B. Upon payment by the employee of the employee contributions and
 29 interest, **if any,** as provided in Subsection A **of this Section,** the employer shall pay
 30 to the retirement system an amount equal to the employer contributions that the

1 employer would have paid to the retirement system had the employee remained in
 2 service, together with interest thereon, at the valuation interest rate in effect at the
 3 time payment is made. The contributions shall be based on the salary the employee
 4 would have received during the period of service in the uniformed services,
 5 including any increases in compensation that the employee would have received had
 6 he remained in employment during the period of service in the uniformed services.
 7 The employer contributions and interest due to the system shall be paid within thirty
 8 days after the employee has paid all of the contributions due to the system or fund.

9 C. All employee contributions and interest due thereon made in payment for
 10 credit for service in the uniformed services ~~credit~~ in accordance with Subsection A
 11 of this Section must be received by the system ~~within four years of his~~
 12 reemployment within the time period provided in Subsection E of this Section.

13 D. Should the employee fail to make the required contributions within ~~four~~
 14 ~~years, or a~~ the time period authorized ~~in accordance with~~ by Subsection E of this
 15 Section, service in the uniformed services shall be used only for determining
 16 eligibility for retirement benefits. Any unpaid actuarial cost to the retirement system
 17 shall be borne by the employers through reflection in the employer contribution rate
 18 established pursuant to R.S. 11:102 or 103, or as provided by the actuarial funding
 19 requirements and any other laws, rules, or regulations applicable to the public
 20 retirement system in which the employee receives credit under the provisions of this
 21 Subpart.

22 E. ~~Notwithstanding Subsection D of this Section, if any~~ The employee fails
 23 ~~to~~ shall make the required contributions ~~within four years of his reemployment, the~~
 24 ~~retirement system, pension fund, or employee benefit plan may permit such~~
 25 ~~employee to make such contributions~~ within the time period allowable under the
 26 Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)
 27 [38 U.S.C. 4301 et seq.].

28 §415. Payment of death and survivor benefits; public retirement

29 A. The employee's period of service in the uniformed services shall be
 30 counted as creditable service in the public retirement system in which he was a

1 member, for determining eligibility for death and survivor benefits and in the
2 computation of benefits, provided that the following conditions are satisfied:

3 (1) The beneficiary of the death or survivor benefits shall provide payment
4 of the unpaid portion of the contributions of the deceased member. The beneficiary
5 may agree in writing to have the payment of the unpaid portion of the contributions
6 of the deceased member deducted from the benefits over a period not to exceed four
7 years. The beneficiary may pay, in the alternative, the ~~actuarial cost of such~~
8 ~~additional credit~~ **required amount** in a lump sum prior to the distribution of
9 benefits.

10 * * *

11 D. If the application of any provision set forth in this Section results in an
12 unpaid actuarial cost to the retirement system, it shall be borne by the employers
13 through reflection in the employer rate established by the ~~Public Retirement Systems~~
14 ~~Actuarial Committee~~ **pursuant to R.S. 11:102 or 103, or as provided by the**
15 **actuarial funding requirements and any other laws, rules, or regulations**
16 **applicable to the public retirement system in which the employee receives credit**
17 **pursuant to the provisions of this Part.**

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

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____