

Regular Session, 2014

SENATE BILL NO. 5

BY SENATOR GUILLORY

TEACHERS RETIREMENT. Allows an optional retirement plan participant to transfer to the regular plan. (2/3 - CA10s29(F)) (6/15/14)

1 AN ACT

2 To enact R.S. 11:926(C), relative to the optional retirement plan of the Teachers' Retirement  
3 System of Louisiana; to allow a participant to execute an actuarial transfer from the  
4 optional retirement plan into the regular plan; to provide for an effective date; and  
5 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. 11:926(C) is hereby enacted to read as follows:

9 §926. Transfers

10 \* \* \*

11 **C. (1) Notwithstanding R.S. 11:925, 928, or any other provision of law**  
12 **to the contrary, anyone who elected to participate in the optional retirement**  
13 **plan in lieu of the defined benefit plan before December 31, 2013, may establish**  
14 **or reestablish membership in the defined benefit plan by complying with the**  
15 **provisions of this Subsection.**

16 **(2) The person shall receive an amount of service credit equal to the**  
17 **duration of his participation in the optional retirement plan by paying to the**

1 system an amount, calculated in accordance with the provisions of R.S. 11:158,  
2 sufficient to totally offset any increase in liability of the system caused by the  
3 person receiving such credit. This payment shall be made by the transfer of all  
4 funds from the optional retirement plan plus any other payments from the  
5 person, as further provided in this Subsection.

6 (3)(a) Any optional retirement plan participant electing to establish  
7 membership in the defined benefit plan in accordance with the provisions of this  
8 Subsection shall transfer all funds in the optional retirement plan to the defined  
9 benefit plan and shall not have contributions or other funds in both plans. All  
10 monies contributed to the optional retirement plan by or on behalf of the person  
11 together with any earnings attributable thereto shall be transferred to the  
12 defined benefit plan and applied to the payments required by this Subsection.

13 (b)(i) In the event that the amount of funds transferred from the optional  
14 retirement plan is less than the actuarial cost of purchasing service credit in the  
15 system equal to the duration of the person's participation in the optional  
16 retirement plan, the person transferring, except as provided for herein, shall  
17 pay the deficit or difference including the interest thereon at the  
18 board-approved actuarial valuation rate of the system.

19 (ii) In lieu of paying the deficit or difference plus interest, the person may  
20 at his option, but only at the time of transfer, be granted an amount of credit in  
21 the system which is based on the amount of funds actually transferred from the  
22 optional retirement plan, plus any additional funds less than the deficit paid by  
23 the person.

24 (4) If the person transferred any monies from the defined benefit plan  
25 into the optional retirement plan in accordance with Subsection A of this  
26 Section or R.S. 11:925(B), he may reestablish that credit in the defined benefit  
27 plan by complying with the provisions of R.S. 11:736, except that the repayment  
28 may be made at any time before retirement or entry into the Deferred  
29 Retirement Option Plan.

1           Section 2. This Act shall become effective on June 15, 2014; if vetoed by the  
2           governor and subsequently approved by the legislature, this Act shall become effective on  
3           June 15, 2014, or on the day following such approval by the legislature, whichever is later.

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The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Laura Gail Sullivan.

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#### DIGEST

Guillory (SB 5)

Present law provides for an optional retirement plan (ORP) for certain persons who would otherwise be members of the regular defined benefit plan of the Teachers' Retirement System of Louisiana (Teachers' or TRSL). Provides two opportunities for a person to join: at first employment covered by the system or at any time before the person accrues five years of service credit in the regular plan.

Proposed law retains present law.

Present law provides that the election to join the ORP in lieu of membership in Teachers', regardless of when the choice is made, is irrevocable.

Proposed law provides for an ORP member to transfer into the Teachers' regular system. Provides for this transfer to be on an actuarial basis pursuant to present law transfer statutes applicable to other transfers from one La. public retirement system to another.

Effective June 15, 2014.

(Adds R.S. 11:926(C))