

Regular Session, 2014

HOUSE BILL NO. 28

BY REPRESENTATIVE BROSSETT

RETIREMENT/DROP: Provides for an opportunity for members of the Teachers' Retirement System of Louisiana to revoke a decision to participate in the Deferred Retirement Option Plan

1 AN ACT

2 To amend and reenact R.S. 11:786(B), relative to participation in the Teachers' Retirement
3 System of Louisiana Deferred Retirement Option Plan; to provide for revocation of
4 election to participate within a certain time period; and to provide for related matters.

5 Notice of intention to introduce this Act has been published
6 as provided by Article X, Section 29(C) of the Constitution
7 of Louisiana.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 11:786(B) is hereby amended and reenacted to read as follows:

10 §786. Deferred Retirement Option Plan

11 * * *

12 B.(1) An election to participate in the plan may be made only once, for a
13 specified period not to exceed three years. The three-year period begins within sixty
14 calendar days after the first time the member reaches one of the eligibility
15 requirements of Subsection A of this Section. The participation period must end not
16 more than three years and sixty calendar days from the date the member first
17 becomes eligible under any of the eligibility requirements of Subsection A of this
18 Section, and in no case may the actual participation in the plan exceed three years.
19 Once specified, the period of participation may not be extended. ~~A~~ Except as

1 provided in Paragraph (2) of this Subsection, a member participating in the plan may
2 not terminate participation prior to the end of the selected duration without
3 terminating employment. A member who chooses to participate in the plan shall
4 elect a retirement plan option at the beginning of the participation period and except
5 as provided in Paragraph (2) of this Subsection such election shall be irrevocable
6 once the participation period begins.

7 (2) Notwithstanding any provision of this Chapter to the contrary, a
8 participant in the Deferred Retirement Option Plan may revoke his election to
9 participate in the plan if the system receives from the member a written revocation
10 of his election to participate within seventy-two hours of his initial election. A
11 revocation exercised pursuant to this Paragraph also acts as a revocation of the
12 member's election of a retirement plan option.

13 * * *

14 Section 2. This Act shall become effective on July 1, 2014; if vetoed by the governor
15 and subsequently approved by the legislature, this Act shall become effective on July 1,
16 2014, or on the day following such approval by the legislature, whichever is later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Brossett

HB No. 28

Abstract: Provides a 72-hour window within which a member of the Teachers' Retirement System of Louisiana (TRSL) may withdraw his election to participate in the Deferred Retirement Option Plan (DROP).

Present law creates the DROP plan within TRSL. Proposed law retains present law.

Under present law, an election to participate in DROP is irrevocable once participation begins. Proposed law establishes a 72-hour window within which a member may revoke his election to participate in DROP. Pursuant to proposed law, the revocation must be in writing and received by TRSL within 72 hours of the member's initial election to participate in DROP.

Present law provides that a member participating in DROP may not terminate his participation in the plan without terminating employment. Proposed law provides an exception to present law for members who meet the requirements of the 72-hour window.

Present law provides that a member who enters DROP must make a retirement option election at the time he enters DROP and that such election is irrevocable. Proposed law provides that a revocation by a member of his election to participate in DROP pursuant to proposed law also revokes his election of a retirement option election.

Effective July 1, 2014.

(Amends R.S. 11:786(B))