

SENATE BILL NO. 30

BY SENATOR CORTEZ

1 AN ACT

2 To amend and reenact R.S. 11:446(F), 450(B), 471.1(G), and 546(C), and to enact R.S.
3 11:444(A)(2)(d), 546(D) and (E), and 605(D), relative to the Louisiana State
4 Employees' Retirement System; to specify procedures related to payment for and of
5 benefits; to provide for options, contributions, and eligibility; to provide relative to
6 benefits of adult probation and parole officers; to provide for funding; to provide for
7 an effective date; and to provide for related matters.

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

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:446(F), 450(B), 471.1(G), and 546(C) are hereby amended and
11 reenacted and R.S. 11:444(A)(2)(d), 546(D) and (E), and 605(D) are hereby enacted to read
12 as follows:

13 §444. Computation of retirement benefit

14 A.

15 * * *

16 (2)

17 * * *

18 **(d)(i) Probation and parole officers in the office of adult services of the**
19 **Department of Public Safety and Corrections who were employed on or before**
20 **December 31, 2001, who did not join the secondary component of this system**
21 **pursuant to R.S. 11:605(A), and who retire or begin participation in the**
22 **Deferred Retirement Option Plan on or after July 1, 2014, shall receive a**
23 **maximum retirement allowance equal to three percent of average**
24 **compensation, as determined pursuant to R.S. 11:403(5), for every year of**
25 **creditable service in the retirement system before July 1, 2014, and three and**
26 **one-third percent of average compensation, as determined by R.S. 11:403(5), for**
27 **every year of creditable service in the retirement system on or after July 1,**

1 participation in the Deferred Retirement Option Plan, whichever is earlier.

2 * * *

3 §450. Termination of participation

4 * * *

5 B. Upon termination of participation in the plan but not employment, credits

6 to the account shall cease and no retirement benefits shall be paid to the participant

7 until employment is terminated. The balance in the participant's subaccount shall be

8 placed in a self-directed subaccount in the name of the participant as provided for in

9 R.S. 11:451.1, and the participant shall then be bound by the provisions of ~~said~~ **that**

10 Section. No payment shall be made based on credits in the subaccount until

11 employment is terminated as defined in this Section. The participant may continue

12 employment after termination of participation in the plan for the sole purpose of

13 accruing a supplemental benefit, and employer and employee contributions shall

14 resume. ~~Correction officers, probation and parole officers, and security officers of~~

15 ~~the Department of Public Safety and Corrections; peace officers of the Department~~

16 ~~of Public Safety and Corrections, office of state police, other than state troopers, as~~

17 ~~provided in R.S. 11:444(A)(2)(b); and personnel employed by the Department of~~

18 ~~Revenue, office of alcohol and tobacco control, as provided in R.S. 11:444(A)(2)(c);~~

19 **Participants** who have ended their participation in the Deferred Retirement Option

20 Plan but not employment shall make contributions at the rate established in R.S.

21 11:62(5)(b).

22 * * *

23 §471.1. Survivors' benefits; members hired on or after January 1, 2011

24 * * *

25 G. If a member dies, even after retirement, eligible ~~minor~~ children shall

26 receive the benefits under Subsection C of this Section.

27 * * *

28 §546. Adult Probation and Parole Officer Retirement Fund

29 * * *

30 C. Monies in the fund shall be invested in the same manner as the state

1 general fund monies. Interest earned on the investment of monies in the fund, after
 2 being credited to the Bond Security and Redemption Fund pursuant to Article VII,
 3 Section 9(B) of the Constitution of Louisiana, shall be credited to the fund. All
 4 unexpended and unencumbered monies and earnings remaining in the fund at the end
 5 of the fiscal year shall remain in the fund, ~~until the legislature provides for enhanced~~
 6 ~~benefits for probation and parole officers in the office of adult services of the~~
 7 ~~Department of Public Safety and Corrections who have service credit in the primary~~
 8 ~~component of the system.~~

9 **D.(1) Until any actuarially accrued liability for retirement benefits for**
 10 **probation and parole officers in the office of adult services of the Department**
 11 **of Public Safety and Corrections created pursuant to the Act of the 2014**
 12 **Regular Session of the Legislature of Louisiana that enacted this Subsection has**
 13 **been fully funded, the monies in the fund shall be used exclusively for the**
 14 **purpose of providing funding for such actuarially accrued liability, and for**
 15 **payment of any normal cost increase caused by the Act of the 2014 Regular**
 16 **Session of the Legislature of Louisiana that enacted this Subsection.**

17 ~~(2) If the legislature does not provide for such benefit enhancements by June~~
 18 ~~30, 2015~~ **After such actuarially accrued liability has been fully funded,** all
 19 monies in the fund shall be available to the Department of Public Safety and
 20 Corrections to help defray the costs of supervision of persons on probation or parole,
 21 **including the normal cost of retirement benefits for employees of the**
 22 **department who are members of this system.**

23 **E.(1) On March 30, 2015, the treasurer shall allocate and distribute to**
 24 **the system from the fund an initial payment of one million dollars. This**
 25 **payment shall be used first to fund the first year's normal cost increase. The**
 26 **balance shall be applied to the amortization of the unfunded accrued liability,**
 27 **if any, created by enactment of R.S. 11:444(A)(2)(d). The June 30, 2014, system**
 28 **valuation shall account for this initial payment.**

29 **(2) On April 1, 2016, and on April first of each year thereafter, the**
 30 **treasurer shall allocate and distribute to the system from the fund the amount**

1 of any amortization and normal cost payments to be paid from the fund as
2 calculated by the system actuary and contained in the system's valuation for the
3 previous fiscal year and approved by the Public Retirement Systems' Actuarial
4 Committee; however, the allocation and distribution to the system provided for
5 in this Paragraph shall not exceed the balance in the fund.

6 (3) In addition to the payment required by Paragraph (2) of this
7 Subsection, on April first of each year, the treasurer shall allocate and
8 distribute to the system from the fund any amount over fifty thousand dollars
9 of the balance remaining in the fund after the payment required by Paragraph
10 (2) of this Subsection has been made. Thereafter, not less than quarterly, the
11 treasurer shall allocate and distribute to the system any balance remaining in
12 the fund exceeding fifty thousand dollars. The system shall hold these
13 allocations and distributions in a separate account to be used only for the
14 following purposes:

15 (a) Funding the next fiscal year's payment for actuarially accrued
16 liability and normal cost payable pursuant to Paragraph (2) of this Subsection,
17 if the balance in the fund is insufficient to fully finance that fiscal year's
18 payment.

19 (b) To make an additional payment toward the actuarially accrued
20 liability created by the Act of the 2014 Regular Session of the Legislature of
21 Louisiana that enacted this Subsection.

22 (4) Any unpaid portion of an amortization or normal cost payment for
23 a particular fiscal year shall be included in the next year's system valuation as
24 part of an individualized calculation pursuant to R.S. 11:102(C)(3) and (4).

25 * * *

26 §605. Transfer of other service credit

27 * * *

28 D. Notwithstanding the provisions of Subparagraph (B)(2)(a) of this
29 Section, any member who is a probation and parole officer in the office of adult
30 services of the Department of Public Safety and Corrections, who was employed

1 on or before December 31, 2001, who elected to transfer from the primary
2 component to the secondary component but who opted not to transfer his
3 primary component service credit on an actuarial basis, who has not upgraded
4 his service credit as permitted pursuant to Subparagraph (B)(2)(b) of this
5 Section, and who retires or begins participation in the Deferred Retirement
6 Option Plan on or after July 1, 2014, shall receive a benefit calculated using a
7 three percent accrual rate for all creditable service in the system earned before
8 the date the member transferred to the secondary component.

9 Section 2.(A) The amount of the unfunded actuarial accrued liability, if any,
10 resulting from the implementation of the provisions of this Act relative to probation and
11 parole officers in the office of adult services of the Department of Public Safety and
12 Corrections and a required amortization payment therefor shall be determined by the Public
13 Retirement Systems' Actuarial Committee as part of the annual adoption of the official
14 actuarial valuation for the Louisiana State Employees' Retirement System pursuant to R.S.
15 11:127, beginning with the June 30, 2014, valuation. This determination shall include the
16 initial payment required for March 30, 2015. Such unfunded actuarial accrued liability shall
17 be amortized as a separate unfunded accrued liability forming level dollar payments over a
18 period of ten years.

19 (B) The additional actuarial cost, if any, of the benefit provisions contained in this
20 Act not funded by payments pursuant to Section 2(A) of this Act shall be funded with
21 increased employer contributions in compliance with Article X, Section 29(F) of the
22 Constitution of Louisiana.

23 Section 3. Benefits for probation and parole officers in the office of adult services
24 of the Department of Public Safety and Corrections provided for pursuant to this Act shall
25 not be suspended, reduced, or denied unless a final, nonappealable judgment declaring this
26 Act unconstitutional has been rendered by a court of competent jurisdiction.

27 Section 4. In the case of any conflict between the provisions of this Act relative to
28 probation and parole officers in the office of adult services of the Department of Public
29 Safety and Corrections and the provisions of any other Act of the 2014 Regular Session of
30 the Legislature of Louisiana, the provisions of this Act shall supersede and control regardless

1 of the order of passage.

2 Section 5. This Act shall become effective on June 30, 2014; if vetoed by the
3 governor and subsequently approved by the legislature, this Act shall become effective on
4 June 30, 2014, 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: _____