

Existing law (R.S. 11:1456.1) establishes the Back-DROP program within the La. Assessors' Retirement Fund (hereafter, the fund). Provides that a Back-DROP participant may receive both his retirement benefit and a lump-sum amount equal to his maximum monthly benefit amount multiplied by the number of months the member selected for his Back-DROP period pursuant to existing law.

Existing law (R.S. 11:1457) further authorizes a member to roll eligible distributions to another qualified retirement plan, such as an IRA.

New law authorizes the fund to contract with a third-party provider to provide self-directed accounts for Back-DROP lump sums. Authorizes a Back-DROP participant to transfer his lump sum to such a self-directed account.

New law provides waivers of liability that a self-directed account participant agrees to when he elects participation in such account. Such waivers include:

- (1) That the benefits payable from the self-directed account are not the obligations of the state or the fund.
- (2) That the participant and the selected third-party provider bear all liability and responsibility for returns and other rights under the account.
- (3) That the participant waives his constitutional protections against diminished or impaired benefits.
- (4) That the participant and the third-party provider bear all responsibility for complying with applicable I.R.S. provisions and regulations.
- (5) That the state and the fund and all agents of the state and the fund are not liable for choices the participant makes as to his investments.

Effective upon signature of governor (May 22, 2014).

(Adds R.S. 11:1456.1(E))