
DIGEST

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HB 53 Engrossed

2016 Regular Session

Foil

Abstract: Removes provisions regarding self-directed Deferred Retirement Option Plan (DROP) accounts in the Parochial Employees' Retirement System (PERS) and establishes the rate of interest paid on such accounts.

Present law authorizes a member of PERS to continue in employment once his DROP participation period ends. Proposed law retains present law.

Present law provides that the member's account balance at the end of his DROP participation period shall be placed in liquid asset money market investments selected by the board of trustees. Proposed law retains present law. Present law further provides that after the DROP participation period ends, the member may elect to transfer his subaccount balance to a self-directed money market account with a third-party provider. Proposed law repeals present law.

Present law authorizes interest to be credited to the member subaccounts at the rate of the actual rate of return earned on the account balances. Proposed law requires interest to be credited on the subaccount balance using the preceding 12-month average of interest paid by the custodial bank's prime money market institutional shares fund. Further requires such interest to be credited annually.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 11:1938(F)(2))