

2021 Regular Session

SENATE BILL NO. 22

BY SENATOR PEACOCK

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT BENEFITS. Provides relative to retirement eligibility for certain members of state retirement systems and for disability retirement. (6/30/21)

1 AN ACT  
2 To amend and reenact R.S. 11:441(A)(2)(c), 461(B)(3)(c), 726(B)(2), 761(A)(4) and (5),  
3 765(A)(2), 780(A), 786(A)(4), 802(B), 1141(A), 1142(C), and 1147(C)(4)(b), to  
4 enact R.S. 11:131, 441(A)(2)(d), 461(B)(3)(d), 726(B)(3), 761(A)(6), 765(A)(3),  
5 786(A)(5), 802(C), 1142(D), and 1147(C)(4)(c), and to repeal R.S. 11:132, relative  
6 to retirement eligibility for certain new members of the Louisiana State Employees'  
7 Retirement System, the Teachers' Retirement System of Louisiana, and the Louisiana  
8 School Employees' Retirement System; to establish new retirement eligibility for  
9 certain members employed on or after July 1, 2021; to provide relative to disability  
10 retirements; to provide for an effective date; and to provide for related matters.

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

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 11:441(A)(2)(c), 461(B)(3)(c), 726(B)(2), 761(A)(4) and (5),  
14 765(A)(2), 780(A), 786(A)(4), 802(B), 1141(A), 1142(C), and 1147(C)(4)(b) are hereby  
15 amended and reenacted and R.S. 11:131, 441(A)(2)(d), 461(B)(3)(d), 726(B)(3), 761(A)(6),  
16 765(A)(3), 786(A)(5), 802(C), 1142(D), and 1147(C)(4)(c) are hereby enacted to read as  
17 follows:

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§131. Determination of Social Security Administration age

A. The provisions of this Section apply to the determination of the Social Security Administration age in R.S. 11:441, 726, 761, 802, 1141, 1142, and 1147.

B. The "age of retirement set by the Social Security Administration" means the greater of age sixty-seven or the highest normal retirement age in whole years required for eligibility to receive unreduced retirement benefits from the Social Security Administration on January second of the applicable calendar year as follows:

(1) For a person whose first employment date is between January first and June thirtieth, inclusive, the January second of the year immediately preceding the year he is first employed.

(2) For a person whose first employment date is between July first and December thirty-first, inclusive, the January second of the year he is first employed.

\* \* \*

§441. Eligibility for retirement

A. \* \* \*

(2) \* \* \*

(c) Except for members of the Hazardous Duty Services Plan, as defined in R.S. 11:612, any member whose first employment making him eligible for membership in one of the state systems occurred on or after July 1, 2015, **and on or before June 30, 2021**, including any judge, court officer, governor, lieutenant governor, clerk or sergeant-at-arms of the House of Representatives, secretary or sergeant-at-arms of the Senate, or state treasurer, shall be eligible for retirement if he has:

(i) Five years or more of service, at age sixty-two or thereafter.

(ii) Twenty years of service credit at any age, exclusive of military service and unused annual and sick leave, but any person retiring under this Item shall have his benefit, inclusive of military service credit and allowable unused annual and sick

1 leave, actuarially reduced from the earliest age that he would normally become  
2 eligible for a regular retirement benefit under Item (i) of this Subparagraph if he had  
3 continued in service to that age. Any employee who elects to retire under the  
4 provisions of this Item shall not be eligible to participate in the Deferred Retirement  
5 Option Plan provided by R.S. 11:447 or the Initial Benefit Option provided by R.S.  
6 11:446.

7 **(d) Except for members of the Hazardous Duty Services Plan, as defined**  
8 **in R.S. 11:612, any member whose first employment making him eligible for**  
9 **membership in one of the state systems occurred on or after July 1, 2021,**  
10 **including any judge, court officer, governor, lieutenant governor, clerk or**  
11 **sergeant-at-arms of the House of Representatives, secretary or sergeant-at-arms**  
12 **of the Senate, or state treasurer, shall be eligible for retirement if he has:**

13 **(i) Five years or more of service, at age sixty-seven or the age of**  
14 **retirement set by the Social Security Administration, whichever is greater, or**  
15 **thereafter.**

16 **(ii) Forty years or more of service, at age sixty-two or thereafter.**

17 **(iii) Twenty years of service credit at any age, exclusive of military**  
18 **service and unused annual and sick leave, but any person retiring under this**  
19 **Item shall have his benefit, inclusive of military service credit and allowable**  
20 **unused annual and sick leave, actuarially reduced from the earliest age that he**  
21 **would normally become eligible for a regular retirement benefit under Item (i)**  
22 **of this Subparagraph if he had continued in service to that age. Any employee**  
23 **who elects to retire under the provisions of this Item shall not be eligible to**  
24 **participate in the Deferred Retirement Option Plan provided by R.S. 11:447 or**  
25 **the Initial Benefit Option provided by R.S. 11:446.**

26 \* \* \*

27 §461. Eligibility; certification

28 \* \* \*

29 B. The board of trustees shall award disability benefits to eligible members

1 who have been officially certified as disabled by the State Medical Disability Board.

2 The disability benefit shall be determined as follows:

3 \* \* \*

4 (3) \* \* \*

5 (c) Any person who has not attained the age of sixty-two and whose first  
6 employment making him eligible for membership in one of the state systems  
7 occurred on or after July 1, 2015, **and on or before June 30, 2021**, shall receive a  
8 disability benefit equal to two and one-half percent of average compensation for  
9 every year of creditable service. When the disability retiree attains the age of sixty-  
10 two, he shall receive his regular retirement benefit upon making application therefor  
11 to the board.

12 **(d) Any person who has not attained the age set forth pursuant to R.S.**  
13 **11:441(A)(2)(d)(i) and whose first employment making him eligible for**  
14 **membership in one of the state systems occurred on or after July 1, 2021, shall**  
15 **receive a disability benefit equal to two and one-half percent of average**  
16 **compensation for every year of creditable service. When the disability retiree**  
17 **attains the age required by R.S. 11:441(A)(2)(d)(i), he shall receive his regular**  
18 **retirement benefit upon making application therefor to the board.**

19 \* \* \*

20 §726. Termination of membership; withdrawal from service after five years; regular  
21 retirement

22 \* \* \*

23 B. \* \* \*

24 (2) Any member whose first employment making him eligible for  
25 membership in one of the state systems occurred on or after July 1, 2015, **and on or**  
26 **before June 30, 2021**, who has credit for five or more years of service may  
27 withdraw from service and elect to leave his accumulated contributions in the system  
28 and, upon reaching age sixty-two, he shall receive a retirement allowance based on  
29 the credits he had at the time of his withdrawal from service.

1                   (3) Any member whose first employment making him eligible for  
 2                   membership in one of the state systems occurred on or after July 1, 2021, who  
 3                   has credit for five or more years of service may withdraw from service and elect  
 4                   to leave his accumulated contributions in the system and, upon reaching age  
 5                   sixty-seven or the age of retirement set by the Social Security Administration,  
 6                   whichever is greater, he shall receive a retirement allowance based on the  
 7                   credits he had at the time of his withdrawal from service.

8   \*           \*           \*

9                   §761. Retirement benefits; application; eligibility requirements; effective date;  
10   cancellation; errors and omissions

11   A.   \*           \*           \*

12                   (4) Any person whose first employment making him eligible for membership  
 13                   in one of the state systems occurred on or after July 1, 2015, **and on or before June**  
 14                   **30, 2021**, may retire upon written application to the board of trustees, if at the time  
 15                   of application the member:

16   (a) Has attained the age of sixty-two years and has credit for five years of  
17   accredited service.

18   (b) Has twenty years of service credit at any age, exclusive of unused annual  
 19   and sick leave and military service other than qualified military service as provided  
 20   in 26 U.S.C. 414(u) earned on or after December 12, 1994, but any person retiring  
 21   under this Subparagraph shall have his benefit, inclusive of military service credit  
 22   and allowable unused annual and sick leave, actuarially reduced from the earliest age  
 23   that he would normally become eligible for a regular retirement benefit under  
 24   Subparagraph (a) of this Paragraph if he had continued in service to that age. Any  
 25   member who elects to retire under the provisions of this Subparagraph shall not be  
 26   eligible to participate in the Deferred Retirement Option Plan provided by R.S.  
 27   11:786 or the Initial Lump-Sum Benefit option provided by R.S. 11:783.

28                   (5) Any person whose first employment making him eligible for  
 29                   membership in one of the state systems occurred on or after July 1, 2021, may

1 retire upon written application to the board of trustees, if at the time of  
2 application the member:

3 (a) Has attained the age of sixty-seven years or the age of retirement set  
4 by the Social Security Administration, whichever is greater, and has credit for  
5 five years of accredited service.

6 (b) Has attained the age of sixty-two years and has credit for forty years  
7 of accredited service.

8 (c) Has twenty years of service credit at any age, exclusive of unused  
9 annual and sick leave and military service other than qualified military service  
10 as provided in 26 U.S.C. 414(u) earned on or after December 12, 1994, but any  
11 person retiring under this Subparagraph shall have his benefit, inclusive of  
12 military service credit and allowable unused annual and sick leave, actuarially  
13 reduced from the earliest age that he would normally become eligible for a  
14 regular retirement benefit under Subparagraph (a) of this Paragraph if he had  
15 continued in service to that age. Any member who elects to retire under the  
16 provisions of this Subparagraph shall not be eligible to participate in the  
17 Deferred Retirement Option Plan provided by R.S. 11:786 or the Initial  
18 Lump-Sum Benefit option provided by R.S. 11:783.

19 (6)(a) A properly executed application for retirement shall be considered as  
20 officially filed when received by the board of trustees of this system. Retirement  
21 benefits shall become effective as of the date a properly executed application for  
22 retirement is received by the board of trustees of this system or the day after the  
23 member terminates from teaching service, whichever is later.

24 (b) A member may cancel his application for retirement only prior to  
25 negotiating, cashing, or depositing any benefit check including an estimated benefit  
26 check.

27 \* \* \*

28 §765. Withdrawal from service after five years; ~~retirement at age sixty~~ regular  
29 retirement

1                   A.   \*           \*           \*

2                   (2) Any member whose first employment making him eligible for

3 membership in one of the state systems occurred on or after July 1, 2015, **and on or**

4 **before June 30, 2021,** who has credit for five or more years of service may

5 withdraw from service and elect to leave his accumulated contribution in the system

6 and, upon reaching age sixty-two, he shall receive a retirement allowance based on

7 the credits he had at the time of his withdrawal from service.

8                   **(3) Any member whose first employment making him eligible for**

9 **membership in one of the state systems occurred on or after July 1, 2021, who**

10 **has credit for five or more years of service may withdraw from service and elect**

11 **to leave his accumulated contribution in the system and, upon reaching the age**

12 **set forth pursuant to R.S. 11:761(A)(5), he shall receive a retirement allowance**

13 **based on the credits he had at the time of his withdrawal from service.**

14   \*           \*           \*

15                   §780. Reexamination of disability retirees; modification of benefits; restoration to

16 active service

17                   A. Once each year during the first five years following any retirement of a

18 member on a disability retirement allowance and once in every three-year period

19 thereafter, the board of trustees shall require any disability retiree whose first

20 employment making him eligible for membership in one of the state systems

21 occurred on or before June 30, 2015, who has not yet attained the age of sixty years

22 ~~and;~~ any disability retiree whose first employment making him eligible for

23 membership in one of the state systems occurred on or after July 1, 2015, **and on or**

24 **before June 30, 2021,** who has not yet attained the age of sixty-two; **and any**

25 **disability retiree whose first employment making him eligible for membership**

26 **in one of the state systems occurred on or after July 1, 2021, who has not yet**

27 **attained the age set forth pursuant to R.S. 11:761(A)(5),** to undergo a medical

28 examination at the retiree's expense, to be made at the place of residence of the

29 retiree or other place mutually agreed upon, by a physician or physicians designated

1 by the board of trustees. The periodic reexaminations may be discontinued upon  
 2 advice of the medical board that the retiree's condition is either terminal or that  
 3 chances of recovery are highly improbable. If any such disability retiree refuses to  
 4 submit to at least one medical examination in any such year by a physician or  
 5 physicians designated by the board of trustees, his allowance may be discontinued  
 6 until his withdrawal of such refusal; but if his refusal continues for one year, all of  
 7 his rights in and to his pension may be revoked by the board of trustees.

8 \* \* \*

9 §786. Deferred Retirement Option Plan

10 A. \* \* \*

11 (4) Any member of this system whose first employment making him eligible  
 12 for membership in one of the state retirement systems occurred on or after July 1,  
 13 2015, **and on or before June 30, 2021**, who has at least five years of service credit  
 14 and is at least age sixty-two may elect to participate in the Deferred Retirement  
 15 Option Plan.

16 **(5) Any member of this system whose first employment making him**  
 17 **eligible for membership in one of the state retirement systems occurred on or**  
 18 **after July 1, 2021, who has at least five years of service credit and has attained**  
 19 **the age required by R.S. 11:761(A)(5) may elect to participate in the Deferred**  
 20 **Retirement Option Plan.**

21 \* \* \*

22 §802. Eligibility for regular retirement

23 \* \* \*

24 B. Any member covered by R.S. 11:801 whose first employment making him  
 25 eligible for membership in a state system occurred on or after July 1, 2015, **and on**  
 26 **or before June 30, 2021**, shall be eligible to retire if he has at least:

- 27 (1) Five years of creditable service, and is at least age sixty-two.  
 28 (2) Twenty years of service credit at any age, exclusive of unused annual and  
 29 sick leave and military service other than qualified military service as provided in 26



1 U.S.C. 414(u) earned on or after December 12, 1994, but any person retiring under  
 2 this Paragraph shall have his benefit, inclusive of military service credit and  
 3 allowable unused annual and sick leave, actuarially reduced from the earliest age that  
 4 he would normally become eligible for a regular retirement benefit under Paragraph  
 5 (1) of this Subsection if he had continued in service to that age. Any member who  
 6 elects to retire under the provisions of this Paragraph shall not be eligible to  
 7 participate in the Deferred Retirement Option Plan provided by R.S. 11:786 or the  
 8 Initial Lump-Sum Benefit option provided by R.S. 11:783.

9 **C. Any member covered by R.S. 11:801 whose first employment making**  
 10 **him eligible for membership in a state system occurred on or after July 1, 2021,**  
 11 **shall be eligible to retire if he has at least:**

12 **(1) Five years of creditable service, and is at least age sixty-seven or the**  
 13 **age of retirement set by the Social Security Administration, whichever is**  
 14 **greater.**

15 **(2) Forty years of creditable service, and is at least age sixty-two.**

16 **(3) Twenty years of service credit at any age, exclusive of unused annual**  
 17 **and sick leave and military service other than qualified military service as**  
 18 **provided in 26 U.S.C. 414(u) earned on or after December 12, 1994, but any**  
 19 **person retiring under this Paragraph shall have his benefit, inclusive of military**  
 20 **service credit and allowable unused annual and sick leave, actuarially reduced**  
 21 **from the earliest age that he would normally become eligible for a regular**  
 22 **retirement benefit under Paragraph (1) of this Subsection if he had continued**  
 23 **in service to that age. Any member who elects to retire under the provisions of**  
 24 **this Paragraph shall not be eligible to participate in the Deferred Retirement**  
 25 **Option Plan provided by R.S. 11:786 or the Initial Lump-Sum Benefit option**  
 26 **provided by R.S. 11:783.**

27 \* \* \*

28 §1141. Retirement benefits; application; eligibility requirements; effective date;  
 29 cancellation

1           A.(1) Any member whose first employment making him eligible for  
2 membership in one of the state systems occurred on or before June 30, 2010, may  
3 retire upon written application to the board of trustees, if the member at the time of  
4 application has attained the age of sixty years and has credit for ten years of  
5 accredited service or has attained the age of fifty-five years and has credit for  
6 twenty-five or more years of accredited service or at any age with thirty or more  
7 years of accredited service.

8           (2) Any member whose first employment making him eligible for  
9 membership in one of the state systems occurred on or after July 1, 2010, and on or  
10 before June 30, 2015, may retire upon written application to the board of trustees, if  
11 the member at the time of application has attained the age of sixty years and has  
12 credit for five years of accredited service.

13           (3) Any member whose first employment making him eligible for  
14 membership in one of the state systems occurred on or after July 1, 2015, **and on or**  
15 **before June 30, 2021,** may retire upon written application to the board of trustees,  
16 if the member at the time of application has attained the age of sixty-two years and  
17 has credit for five years of accredited service.

18           (4) Any member whose first employment making him eligible for  
19 membership in one of the state systems occurred on or after July 1, 2021, may  
20 retire upon written application to the board of trustees, if the member at the  
21 time of application has attained the age of sixty-seven or the age of retirement  
22 set by the Social Security Administration, whichever is greater, and has credit  
23 for five years of accredited service.

24           (5) An application for retirement shall be officially filed with the board when  
25 received in the office of the director. Retirement benefits shall become effective as  
26 of the date an application for retirement is filed in the office of the director or the day  
27 after the member terminates from service, whichever is later. A member may cancel  
28 his application for retirement only prior to negotiating, cashing, or depositing any  
29 benefit check including an estimated benefit check.

1 \* \* \*

2 §1142. Withdrawal from service; retirement allowance

3 \* \* \*

4 C. Any member whose first employment making him eligible for  
5 membership in one of the state systems occurred on or after July 1, 2015, and on or  
6 before June 30, 2021, who has credit for five or more years of regular, full-time  
7 service may withdraw from service and elect to leave his accumulated contributions  
8 in the system and upon reaching age sixty-two, he shall be eligible to receive a  
9 retirement allowance based on the credits he had at the time of his withdrawal from  
10 service.

11 D. Any member whose first employment making him eligible for  
12 membership in one of the state systems occurred on or after July 1, 2021, who  
13 has credit for five or more years of regular, full-time service may withdraw  
14 from service and elect to leave his accumulated contributions in the system and  
15 upon reaching age sixty-seven or the age of retirement set by the Social Security  
16 Administration, whichever is greater, he shall be eligible to receive a retirement  
17 allowance based on the credits he had at the time of his withdrawal from  
18 service.

19 \* \* \*

20 §1147. Disability retirement

21 \* \* \*

22 C. \* \* \*

23 (4) \* \* \*

24 (b) Regardless of the effective date of his retirement and notwithstanding the  
25 provisions of R.S. 11:220(A) and 221(C), a disability retiree whose first employment  
26 making him eligible for membership in one of the state systems occurred on or after  
27 July 1, 2015, and on or before June 30, 2021, shall no longer be required to submit  
28 to regular medical exams ~~nor or~~ to file the annual income report upon attainment of  
29 age sixty-two.

1                    **(c) Regardless of the effective date of his retirement and notwithstanding**  
 2                    **the provisions of R.S. 11:220(A) and 221(C), a disability retiree whose first**  
 3                    **employment making him eligible for membership in one of the state systems**  
 4                    **occurred on or after July 1, 2021, shall no longer be required to submit to**  
 5                    **regular medical exams or to file the annual income report upon attainment of**  
 6                    **age sixty-seven or the age of retirement set by the Social Security**  
 7                    **Administration, whichever is greater.**

8                    Section 2. R.S. 11:132 is hereby repealed.

9                    Section 3. The cost of this Act, if any, shall be funded with additional employer  
 10                    contributions in compliance with Article X, Section 29(F) of the Constitution of Louisiana.

11                    Section 4. This Act shall become effective on June 30, 2021; if vetoed by the  
 12                    governor and subsequently approved by the legislature, this Act shall become effective on  
 13                    June 30, 2021, 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 Angela L. De Jean.

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#### DIGEST

SB 22 Original

2021 Regular Session

Peacock

#### DISABILITY

Present law provides that members of the Louisiana State Employees' Retirement System (LASERS) rank-and-file, the Teachers' Retirement System of La. (TRSL), and the La. School Employees' Retirement System (LSERS) who become disabled are required to have a physician certify their continued total disability every three years until they attain age 62.

Proposed law retains present law for all members whose first employment making them eligible for membership in a state retirement system occurred prior to July 1, 2021. Proposed law further provides that for all members whose first employment making them eligible for membership in a state retirement system occurred on or after July 1, 2021, such certification must continue until the member attains age 67.

#### RETIREMENT ELIGIBILITY

Present law, relative to LASERS rank-and-file members, TRSL members, and LSERS members, provides the following retirement eligibilities for those whose first employment making them eligible for membership in any state retirement system occurred on or after July 1, 2015:

- (1) Retirement at age 62 after five years of service.
- (2) Retirement at any age after 20 years of service; however, the member's benefit will be actuarially reduced from age 62.

Proposed law retains present law for those members hired on or before June 30, 2021.

Proposed law provides for retirement eligibility for those members whose first employment making them eligible for membership in a state retirement system began on or after July 1, 2021.

Proposed law provides that such members are eligible for retirement at age 67 or the age of retirement set by the Social Security Administration, whichever is greater, after five years of service. The actuarial reduction for new members under proposed law is from age 67 or the age of retirement set by the Social Security Administration, whichever is greater.

Proposed law provides that the "age of retirement set by the Social Security Administration", for a person whose first employment making him eligible for membership in one of the state systems occurred on or after July 1, 2021, means the greater of age 67 or the highest normal retirement age in whole years required for eligibility to receive unreduced retirement benefits from the Social Security Administration on January 2nd of the applicable calendar year as follows:

- (1) For a person whose first employment date is between January 1st and June 30th, inclusive, the January 2nd of the year immediately preceding the year he is first employed.
- (2) For a person whose first employment date is between July 1st and December 31st, inclusive, the January 2nd of the year he is first employed.

Effective June 30, 2021.

(Amends R.S. 11:441(A)(2)(c), 461(B)(3)(c), 726(B)(2), 761(A)(4) and (5), 765(A)(2), 780(A), 786(A)(4), 802(B), 1141(A), 1142(C), and 1147(C)(4)(b); adds R.S. 11:131, 441(A)(2)(d), 461(B)(3)(d), 726(B)(3), 761(A)(6), 765(A)(3), 786(A)(5), 802(C), 1142(D), and 1147(C)(4)(c); repeals R.S. 11:132)