

2021 Regular Session

SENATE BILL NO. 24

BY SENATOR PRICE

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

RETIREMENT BENEFITS. Provides a minimum benefit increase for certain retirees, beneficiaries, and survivors of the Teachers' Retirement System of Louisiana, Louisiana State Employees' Retirement System, Louisiana School Employees' Retirement System, and State Police Retirement System. (6/30/21)

AN ACT

To enact R.S. 11:542.1.2, 883.3.1, 1145.4, and 1331.3, relative to the Louisiana State Employees' Retirement System, Teachers' Retirement System of Louisiana, Louisiana School Employees' Retirement System, and the State Police Retirement System; to provide relative to a permanent benefit increase, a cost-of-living adjustment or other supplemental payment for certain retirees; to provide with respect to a minimum benefit increase to certain retirees, their survivors, and their beneficiaries; to provide relative to the experience account; to provide with respect to calculation and for funding; to provide for qualifications; to provide an effective date; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:542.1.2, 883.3.1, 1145.4, and 1331.3 are hereby enacted to read as follows:

§542.1.2. 2021 Minimum benefit increase; payment from experience account

A. A monthly minimum benefit increase shall be payable to:

(1) Each retiree of the system who, on June 30, 2021, meets all of the

1 following criteria:

2 (a) He has thirty or more years of service credit, exclusive of unused
3 leave.

4 (b) He has been retired for fifteen years or more.

5 (c) He receives a monthly retirement benefit of less than one thousand
6 four hundred fifty dollars.

7 (d) He is at least sixty years of age.

8 (e) He has neither participated in the Deferred Retirement Option Plan
9 pursuant to R.S. 11:447 nor chosen an Initial Benefit Option pursuant to R.S.
10 11:446(A)(5).

11 (2) Each nonretiree beneficiary receiving a benefit on June 30, 2021,
12 who, as of June 30, 2021, meets all of the following criteria:

13 (a) The deceased member had thirty or more years of service credit
14 exclusive of unused leave.

15 (b) The retiree and nonretiree beneficiary, or both combined, have
16 received a benefit for at least fifteen years.

17 (c) The nonretiree beneficiary receives a monthly retirement benefit of
18 less than one thousand four hundred fifty dollars.

19 (d) The deceased member would be at least sixty years of age had he
20 lived.

21 (e) The deceased member neither participated in the Deferred
22 Retirement Option Plan pursuant to R.S. 11:447 nor chose an Initial Benefit
23 Option pursuant to R.S. 11:446(A)(5).

24 (3) Any unmarried surviving spouse, any surviving minor child, or any
25 surviving totally physically handicapped or mentally disabled child of a
26 deceased member which survivor is receiving a monthly retirement benefit
27 pursuant to R.S. 11:471 of less than one thousand four hundred fifty dollars if,
28 on June 30, 2021, all of the following apply to the deceased member:

29 (a) He had at least thirty years of service credit, exclusive of unused

1 leave.

2 (b) He has been deceased for fifteen years or more.

3 (c) He would have been at least age sixty.

4 (d) He had not participated in the Deferred Retirement Option Plan
5 pursuant to R.S. 11:447 and had not chosen an Initial Benefit Option pursuant
6 to R.S. 11:446(A)(5).

7 B. Each person to whom this Section applies, except as provided in
8 Subsection C of this Section, shall have his current monthly retirement benefit
9 amount increased by the lesser of:

10 (1) Three hundred dollars.

11 (2) The difference between one thousand four hundred fifty dollars and
12 his current monthly benefit amount.

13 C.(1) Notwithstanding Subsection B of this Section, if any nonretiree
14 beneficiary to whom this Section applies is receiving a monthly benefit amount
15 based upon an optional allowance pursuant to R.S. 11:446(A)(1) through (4),
16 which amount is less than that received by the retiree while alive, the amount
17 of the increase that would otherwise be payable pursuant to Subsection B of this
18 Section shall be prorated based upon the option selected.

19 (2) Notwithstanding Subsection B of this Section, if a survivor to whom
20 Paragraph (A)(3) of this Section applies is the sole survivor receiving a benefit
21 pursuant to R.S. 11:471, he shall have his current monthly retirement benefit
22 increased by the lesser of three hundred dollars or the difference between one
23 thousand four hundred fifty dollars and his current monthly benefit amount.
24 If there are multiple survivors to whom Paragraph (A)(3) of this Section
25 applies, such survivors shall share equally a monthly benefit increase of three
26 hundred dollars.

27 D. The provisions of this Section shall not apply to any retiree,
28 nonretiree beneficiary, or survivor receiving a benefit pursuant to a reciprocal
29 agreement recognized by the system.

1 **E. The actuarial cost of implementing the provisions of this Section shall**
2 **be paid from the employee experience account.**

3 **F. The increase provided pursuant to this Section shall begin on July 1,**
4 **2021.**

5 * * *

6 **§883.3.1. 2021 Minimum benefit increase; payment from experience account**

7 **A. A monthly minimum benefit increase shall be payable to:**

8 **(1) Each retiree of the system who, on June 30, 2021, meets all of the**
9 **following criteria:**

10 **(a) He has thirty or more years of service credit, exclusive of unused**
11 **leave.**

12 **(b) He has been retired for fifteen years or more.**

13 **(c) He receives a monthly retirement benefit of less than one thousand**
14 **four hundred fifty dollars.**

15 **(d) He is at least sixty years of age.**

16 **(e) He has neither participated in the Deferred Retirement Option Plan**
17 **pursuant to R.S. 11:786 nor chosen an Initial Lump Sum Benefit pursuant to**
18 **R.S. 11:783(A)(3).**

19 **(2) Each nonretiree beneficiary receiving a benefit on June 30, 2021,**
20 **who, as of June 30, 2021, meets all of the following criteria:**

21 **(a) The deceased member had thirty or more years of service credit**
22 **exclusive of unused leave.**

23 **(b) The retiree and nonretiree beneficiary, or both combined, have**
24 **received a benefit for at least fifteen years.**

25 **(c) The nonretiree beneficiary receives a monthly retirement benefit of**
26 **less than one thousand four hundred fifty dollars.**

27 **(d) The deceased member would be at least sixty years of age had he**
28 **lived.**

29 **(e) The deceased member neither participated in the Deferred**

1 Retirement Option Plan pursuant to R.S. 11:786 nor chose an Initial Lump Sum
2 Benefit pursuant to R.S. 11:783(A)(3).

3 (3) Any unmarried surviving spouse or any surviving minor child as that
4 term is defined in R.S. 11:701, of a deceased member which survivor is receiving
5 a monthly retirement benefit pursuant to R.S. 11:762 of less than one thousand
6 four hundred fifty dollars if, on June 30, 2021, all of the following apply to the
7 deceased member:

8 (a) He had thirty years of service credit, exclusive of unused leave.

9 (b) He has been deceased for fifteen years or more.

10 (c) He would have been at least age sixty.

11 (d) He had not participated in the Deferred Retirement Option Plan
12 pursuant to R.S. 11:786 and had not chosen an Initial Lump Sum Benefit
13 pursuant to R.S. 11:783(A)(3).

14 B. Each person to whom this Section applies, except as provided in
15 Subsection C of this Section, shall have his current monthly retirement benefit
16 increased by the lesser of:

17 (1) Three hundred dollars.

18 (2) The difference between one thousand four hundred fifty dollars and
19 his current monthly benefit.

20 C.(1) Notwithstanding Subsection B of this Section, if any nonretiree
21 beneficiary to whom this Section applies is receiving a monthly benefit amount
22 based upon an optional allowance pursuant to R.S. 11:783(A)(2), which amount
23 is less than that received by the retiree while alive, the amount of the monthly
24 benefit increase that would otherwise be payable pursuant to Subsection B of
25 this Section shall be prorated based upon the option selected.

26 (2) Notwithstanding Subsection B of this Section, if a survivor to whom
27 Paragraph (A)(3) of this Section applies is the sole survivor receiving a benefit
28 pursuant to R.S. 11:762, he shall have his current monthly retirement benefit
29 increased by the lesser of three hundred dollars or the difference between one

1 thousand four hundred fifty dollars and his current monthly benefit amount.

2 In the event there are multiple survivors to whom Paragraph (A)(3) of this
3 Section applies, such survivors shall share equally a monthly benefit increase
4 of three hundred dollars.

5 D. The provisions of this Section shall not apply to any retiree,
6 nonretiree beneficiary, or survivor receiving a benefit pursuant to a reciprocal
7 agreement recognized by the system.

8 E. The actuarial cost of implementing the provisions of this Section shall
9 be paid from the employee experience account.

10 F. The increase provided pursuant to this Section shall begin on July 1,
11 2021.

12 * * *

13 §1145.4. 2021 Minimum benefit increase; payment from experience account

14 A. A monthly minimum benefit increase shall be payable to:

15 (1) Each retiree of the system who, on June 30, 2021, meets all of the
16 following criteria:

17 (a) He has thirty or more years of service credit, exclusive of unused
18 leave.

19 (b) He has been retired for fifteen years or more.

20 (c) He receives a monthly retirement benefit of less than one thousand
21 four hundred fifty dollars.

22 (d) He is at least sixty years of age.

23 (e) He has neither participated in the Deferred Retirement Option Plan
24 pursuant to R.S. 11:1152 nor chosen an Initial Benefit Retirement Plan
25 pursuant to R.S. 11:1152.1.

26 (2) Each nonretiree beneficiary receiving a benefit on June 30, 2021,
27 who, as of June 30, 2021, meets all of the following criteria:

28 (a) The deceased member had thirty or more years of service credit
29 exclusive of unused leave.

1 **(b) The retiree and nonretiree beneficiary, or both combined, have**
2 **received a benefit for at least fifteen years.**

3 **(c) The nonretiree beneficiary receives a monthly retirement benefit of**
4 **less than one thousand four hundred fifty dollars.**

5 **(d) The deceased member would be at least sixty years of age had he**
6 **lived.**

7 **(e) The deceased member neither participated in the Deferred**
8 **Retirement Option Plan pursuant to R.S. 11:1152 nor chose an Initial Benefit**
9 **Retirement Plan pursuant to R.S. 11:1152.1.**

10 **(3) Any unmarried surviving spouse, any surviving minor child, or any**
11 **surviving totally physically handicapped or mentally disabled child of a**
12 **deceased member which survivor is receiving a monthly retirement benefit**
13 **pursuant to R.S. 11:1151 of less than one thousand four hundred fifty dollars**
14 **if, on June 30, 2021, all of the following apply to the deceased member:**

15 **(a) He had at least thirty years of service credit, exclusive of unused**
16 **leave.**

17 **(b) He has been deceased for fifteen years or more.**

18 **(c) He would have been at least age sixty.**

19 **(d) He had not participated in the Deferred Retirement Option Plan**
20 **pursuant to R.S. 11:1152 and had not chosen an Initial Benefit Retirement Plan**
21 **pursuant to R.S. 11:1152.1.**

22 **B. Each person to whom this Section applies, except as provided in**
23 **Subsection C of this Section, shall have his current monthly retirement benefit**
24 **amount increased by the lesser of:**

25 **(1) Three hundred dollars.**

26 **(2) The difference between one thousand four hundred fifty dollars and**
27 **his current monthly benefit amount.**

28 **C.(1) Notwithstanding Subsection B of this Section, if any nonretiree**
29 **beneficiary to whom this Section applies is receiving a monthly benefit amount**

1 based upon an optional allowance pursuant to R.S. 11:1150 which is less than
2 that received by the retiree while alive, the amount of the increase that would
3 otherwise be payable pursuant to Subsection B of this Section shall be prorated
4 based upon the option selected.

5 (2) Notwithstanding Subsection B of this Section, if a survivor to whom
6 Paragraph (A)(3) of this Section applies is the sole survivor receiving a benefit
7 pursuant to R.S. 11:1151, he shall have his current monthly retirement benefit
8 increased by the lesser of three hundred dollars or the difference between one
9 thousand four hundred fifty dollars and his current monthly benefit amount.
10 If there are multiple survivors to whom Paragraph (A)(3) of this Section
11 applies, such survivors shall share equally a monthly benefit increase of three
12 hundred dollars.

13 D. The provisions of this Section shall not apply to any retiree,
14 nonretiree beneficiary, or survivor receiving a benefit pursuant to a reciprocal
15 agreement recognized by the system.

16 E. The actuarial cost of implementing the provisions of this Section shall
17 be paid from the employee experience account.

18 F. The increase provided pursuant to this Section shall begin on July 1,
19 2021.

20 * * *

21 §1331.3. 2021 Nonrecurring benefit payment; payment from experience account

22 A. A nonrecurring lump sum shall be payable to:

23 (1) Each retiree of the system, other than a disability retiree, who meets
24 all of the following criteria:

25 (a) The retiree, or the retiree and an alternate payee both combined,
26 receives a monthly benefit of two thousand five hundred dollars or less.

27 (b) The retiree has attained at least age sixty by June 30, 2021.

28 (c) The retiree has received a benefit for at least one year by June 30,
29 2021.

1 (d) The retiree has neither participated in the Deferred Retirement
2 Option Plan pursuant to R.S. 11:1307 and R.S. 11:1307.1, Back-Deferred
3 Retirement Option Plan pursuant to R.S. 11:1312.1, nor Initial Benefit Option.

4 (e) The retiree was hired prior to September 8, 1978, and retired with
5 twenty or more creditable years of service pursuant to the provisions of R.S.
6 11:1307(A)(2)(a), or was hired on or after September 8, 1978, and retired with
7 twenty-five or more creditable years of service pursuant to the provisions of
8 R.S. 11:1307(A)(2)(b).

9 (2) Each nonretiree beneficiary receiving a benefit who meets all of the
10 following criteria:

11 (a) The nonretiree beneficiary's benefit is not based upon the death of a
12 disability retiree.

13 (b) The benefits had been paid to the retiree or the beneficiary, or both
14 combined for at least one year as of June 30, 2021.

15 (c) The retiree would have attained age sixty by June 30, 2021.

16 (d) The retiree for whose benefit the nonretiree is a beneficiary,
17 otherwise meets the criteria set forth in Paragraph (A)(1) of this Section.

18 (3) Any person who receives a survivor benefit from the system based
19 upon a member's death in the line of duty as of June 30, 2021.

20 (4) Any disability retiree, or a person who receives benefits from the
21 system based on the death of a disability retiree, as of June 30, 2021.

22 B. Any benefit increase paid pursuant to the provisions of this Section
23 shall be paid from the funds in the system experience account.

24 C. Each person to whom this Section applies shall receive a
25 nonrecurring lump sum payment, payable August 31, 2021, that is the lesser of:

26 (1) Three dollars for each month of creditable service plus two dollars
27 for each month of retirement up through June 30, 2021.

28 (2) The member's current monthly benefit.

29 D. The actuarial cost of implementing the provisions of this Section shall

1 **be paid from the employee experience account.**

2 Section 2. The cost of this Act shall be funded with monies from the respective
3 system's experience account. And additional cost of this Act shall be funded with additional
4 employer contributions in compliance with Article X, Section 29(F) of the Louisiana
5 Constitution.

6 Section 3. This Act shall become effective on June 30, 2021; if vetoed by the
7 governor and subsequently approved by the legislature, this Act shall become effective on
8 June 30, 2021, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Angela L. De Jean.

SB 24 Original	DIGEST 2021 Regular Session	Price
LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM, TEACHERS' RETIREMENT SYSTEM OF LOUISIANA, AND LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM		

Proposed law, relative to the Louisiana State Employees' Retirement System (LASERS), the Teachers' Retirement System of Louisiana (TRSL) and the Louisiana School Employees' Retirement System(LSERS), provides a monthly benefit increase to:

- (1) Any retiree who on 6/30/21, meets the following criteria:
 - (a) He has 30 or more years of service credit.
 - (b) He has been retired for 15 years or more.
 - (c) He receives a monthly retirement benefit of less than \$1,450 dollars.
 - (d) He is at least 60 years of age.
 - (e) He has neither participated in the Deferred Retirement Option Plan (DROP) nor chosen the Initial Benefit Option (IBO).
- (2) Any nonretiree beneficiary of a retiree who would meet the above criteria if the retiree were alive.
- (3) Any unmarried surviving spouse, minor child, or mentally or physically handicapped child of a deceased member, which survivor is receiving a monthly retirement benefit of less than \$1,450 on 6/30/21, the deceased member would have met all of the following criteria:
 - (a) He has been retired for at least 30 years.
 - (b) He has been deceased for 15 years or more.
 - (c) He would have been at least age 60.

- (d) He did not participate in DROP.

Proposed law provides that such increase shall be in the form of an increase to a retiree's or beneficiary's monthly benefit in an amount equal to the lesser of \$300 per month or the amount necessary to increase his monthly benefit to \$1,450.

Present law provides several payment options for retirement benefits, which a retiree may choose if he wishes benefits to continue being paid to a designated beneficiary upon his death. Such options will reduce the amount of the monthly benefit that a retiree receives during his lifetime, and may in turn reduce the amount of the monthly benefit that his beneficiary receives upon his death.

Proposed law provides that if any beneficiary to whom proposed law applies is receiving a monthly benefit based upon an optional allowance pursuant to present law, which amount is less than that received by the retiree while alive, the amount of the increase payable pursuant to proposed law shall be prorated based upon the option chosen.

Present law generally provides for survivor benefits for certain survivors of deceased members which members died prior to applying for retirement.

Proposed law provides that any unmarried surviving spouse, minor child, or mentally or physically handicapped child, who is receiving a survivor benefit under present law shall receive a benefit increase pursuant to proposed law. Any person who is the sole survivor of such a member shall receive the lesser of \$300 per month or the amount necessary to increase his monthly benefit to \$1,450. If there are multiple persons receiving such survivor benefits, an increase of \$300 per month shall be shared equally among them.

Present law generally provides for an employee experience account from which all LASERS, TRSL, and LSERS cost-of-living adjustments are payable.

Proposed law provides that funding for the benefit increase payable pursuant to proposed law shall come from the employee experience account.

STATE POLICE RETIREMENT SYSTEM

Proposed law, relative to State Police Retirement System (SPRS), provides that a nonrecurring lump sum shall be payable to:

- (1) Each retiree of the system, other than a disability retiree, who meets all of the following criteria:
 - (a) The retiree, or the retiree and an alternate payee both combined, receives a monthly benefit of two thousand five hundred dollars or less.
 - (b) The retiree has attained at least age sixty by 6/30/21.
 - (c) The retiree has received a benefit for at least one year by 6/30/21.
 - (d) The retiree has neither participated in the Deferred Retirement Option Plan (DROP), (Back-DROP), nor Initial Benefit Option (IBO) pursuant to present law.
 - (e) The retiree was hired prior to 9/8/78 and retired with 20 or more creditable years of service pursuant to the provisions of present law, or was hired on or after 9/8/78 and retired with 25 or more creditable years of service pursuant to the provisions of present law.
- (2) Each nonretiree beneficiary receiving a benefit who meets all of the following

criteria:

- (a) The nonretiree beneficiary's benefit is not based upon the death of a disability retiree.
 - (b) The benefits had been paid to the retiree or the beneficiary, or both combined for at least one year as of 6/30/21.
 - (c) The retiree would have attained age sixty by 6/30/21.
 - (d) The retiree for whose benefit the nonretiree is a beneficiary, otherwise meets the criteria set forth in present law of this proposed law.
- (3) Any person who receives a survivor benefit from the system based upon a member's death in the line of duty as of 6/30/21.
- (4) Any disability retiree, or a person who receives benefits from the system based on the death of a disability retiree, as of 6/30/21.

Proposed law provides that any benefit increase paid pursuant to proposed law shall be paid from the funds in the system experience account.

Proposed law provides that each person to whom proposed law applies shall receive a nonrecurring lump sum payment, payable 8/31/21, that is the lesser of:

- (1) Three dollars for each month of creditable service plus two dollars for each month of retirement through 6/30/21.
- (2) The member's current monthly benefit.

Proposed law provides that the actuarial cost of implementing the provisions of proposed law shall be paid from the employee experience account.

Effective June 30, 2021.

(Adds R.S. 11:542.1.2, 883.3.1, 1145.4, and 1331.3)