

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)

AN ACT

To amend and reenact 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), to enact 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), and to repeal R.S. 11:132, relative to retirement eligibility for certain new members of the Louisiana State Employees' Retirement System, the Teachers' Retirement System of Louisiana, and the Louisiana School Employees' Retirement System; to establish new retirement eligibility for certain members employed on or after July 1, 2021; to provide relative to disability retirements; to provide for 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. 11:441(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) are hereby amended and reenacted and 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) are hereby enacted to read as follows:

1 §131. Determination of Social Security Administration age

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

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

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

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

15 * * *

16 §441. Eligibility for retirement

17 A. * * *

18 (2) * * *

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

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

27 (ii) Twenty years of service credit at any age, exclusive of military service
28 and unused annual and sick leave, but any person retiring under this Item shall have
29 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.

* * *

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

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 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.

* * *

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.

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

DIGEST

SB 22 Engrossed

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)