

RÉSUMÉ DIGEST

ACT 37 (SB 24)

2021 Regular Session

Price

New 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.

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.

Prior law provided 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.

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

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

New law provides that any unmarried surviving spouse, minor child, or mentally or physically handicapped child, who is receiving a survivor benefit under prior law shall receive a benefit increase pursuant to new 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.

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

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

STATE POLICE RETIREMENT SYSTEM

New 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 \$2,500 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 prior 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 prior 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 prior 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 prior law of new 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.

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

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

- (1) \$300 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.

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

Effective June 1, 2021.

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

