

2022 Regular Session

HOUSE BILL NO. 24

BY REPRESENTATIVE ILLG

RETIREMENT/DISTRICT ATTY: Provides relative to transfers of service credit and deferred retirement within the District Attorneys' Retirement System

1 AN ACT

2 To amend and reenact R.S. 11:1644(C)(8) and to enact R.S. 11:1615, relative to the District
3 Attorneys' Retirement System; to provide for the transfer of service credit and the
4 accrual rate applicable to such service; to provide for Back-Deferred Retirement
5 Option Plan; and to provide for related matters.

6 Notice of intention to introduce this Act has been published
7 as provided by Article X, Section 29(C) of the Constitution
8 of Louisiana.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:1644(C)(8) is hereby amended and reenacted and R.S. 11:1615
11 is hereby enacted to read as follows:

12 §1615. Transfer of service credit; purchase of accrual rate

13 Notwithstanding any provision of R.S. 11:143(D), any member of this system
14 who, pursuant to R.S. 11:143, transfers service credit from another retirement
15 system, fund, or plan at an accrual rate lower than the accrual rate applicable to the
16 member's service credit earned in this system may purchase the accrual rate of this
17 system for application to all of the member's transferred service credit by paying an
18 amount calculated on an actuarial basis that totally offsets the increase in accrued
19 liability of this system resulting from the upgrade in the accrual rate applicable to the
20 member's transferred service credit. All payments for the purchase of the accrual

1 rate upgrade shall be received by the system within forty-five days after written
2 notice is given to the system that member intends to transfer and upgrade all service
3 credit.

4 * * *

5 §1644. Back-Deferred Retirement Option Program

6 * * *

7 C. The member's Back-DROP monthly benefit accrual shall be calculated
8 based on the provisions applicable for service retirement set forth in R.S. 11:1632
9 and 1633, subject to the following conditions:

10 * * *

11 (8) The member may defer receipt of all or a part of the lump-sum Back-
12 DROP payment for no more than ninety days from the date the account is funded by
13 the system. No part of the lump-sum may be withdrawn prior to confirmation of the
14 member's benefit by the actuary. All amounts which remain credited to the
15 individual's Back-DROP subaccount after termination of participation in the program
16 shall be segregated into a subaccount identified for the benefit of the individual, and
17 such funds shall be placed in liquid asset money market investments at the discretion
18 of the board of trustees. Such subaccounts shall be credited with interest at the actual
19 rate of return earned in such subaccount investments. The total amount of any
20 disbursements from the member's subaccount shall in no case be less than the
21 amount of funds credited to the member's subaccount at the time of termination of
22 participation in the program.

23 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 24 Engrossed

2022 Regular Session

Illg

Abstract: Provides for the purchase of an accrual rate upgrade when a member transfers into the District Attorneys' Retirement System (DARS) and for payment from a members Back-Deferred Retirement Option Plan (Back-DROP) account.

Transfer of Service Credit

Proposed law authorizes a member of DARS, who has transferred service credit from another retirement system, at a lower accrual rate to purchase the accrual rate of DARS by paying an amount to offset the liability of this system.

Proposed law requires payment for the purchase of the upgrade of the accrual rate within 45 days after written notice to the system that the member intends to upgrade all service credit.

Back-Deferred Retirement Option Plan

Present law authorizes a Back-DROP program within DARS and provides for payment of a lump-sum Back-DROP benefit.

Present law provides a member to defer receipt of part or all of his Back-DROP lump-sum payment.

Proposed law retains present law but provides that payment may not be deferred for more than 90 days from the date the Back-DROP account is funded by the system.

Proposed law provides part or all of prohibits withdrawal of the lump-sum prior to confirmation of the member's benefit by the actuary.

(Amends R.S. 11:1644(C)(8); Adds R.S. 11:1615)