RÉSUMÉ DIGEST

ACT 705 (HB 1134) **2026 Regular Session** **Braud**

New law provides for the creation of a Back-Deferred Retirement Option Plan (Back-DROP) for certain judges within the La. State Employees' Retirement System (LASERS).

New law provides that only a judge who is eligible for retirement, who holds a judgeship designated to be abolished upon the retirement of the judge, who voluntarily retires earlier than the expiration of his term, and who does not seek election to another judicial office may participate in the program.

New law provides that the election to participate in Back-DROP is irrevocable and must be made before July 1, 2027.

New law provides that participation in Back-DROP cannot exceed the lesser of:

(1) 36 months.

(2) The number of months of service credit accrued after the member first became eligible for regular retirement.

(3) The number of months remaining on the member's current unexpired elected term of office.

New law provides that employer and employee contributions received by the retirement system during the Back-DROP period and any interest that has accrued on employer and employee contributions received during the period shall remain with the system and shall not be refunded to the member or to the employer.

New law provides that the member's benefit accrual is calculated by the following conditions:

(1) Creditable service shall not include service credit reciprocally recognized under existing law (R.S. 11:142).

(2) Accrued service at retirement shall be reduced by the Back-DROP period.

(3) Additional employer contributions are due by the participant's employing court equal to the number of months selected during the Back-DROP period.

(4) In addition to the monthly benefit provided under new law, the member shall be paid a lump-sum equal to the Back-DROP monthly benefit multiplied by the number of months selected for the Back-DROP period. Provides that the participant is eligible to elect a lump-sum payment only for the months remaining on the current unexpired term.

New law allows a judge who is otherwise eligible under new law to retire regardless of age or years of service if the judge makes the irrevocable option to retire prior to Dec.31, 2026, and to receive a maximum annual benefit based on the member's service credit and final average compensation calculated as if the member were eligible for regular service retirement.

New law provides that a judge whose division of court is specified to be abolished by operation of law only upon an irrevocable declaration not to seek re-election is subject to the provisions of new law if such declaration is made prior to July 1, 2026, and retirement occurs on or before Dec. 31, 2026.

New law requires that any cost of new law be funded with additional employer contributions in compliance with existing constitution (Art. X, Sec. 29(F)).

Effective August 1, 2026.

(Adds R.S. 11:557.1)