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## DIGEST

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Stuart Bishop

HB No. 39

**Abstract:** Establishes a new tier of benefits and different retirement eligibility for members of the La. Assessors' Retirement Fund (LARF) hired on and after Oct. 1, 2013.

Present law creates the LARF system and provides relative to the benefits and requirements of being a member thereof. Proposed law retains present law.

Under present law, normal retirement benefits are calculated pursuant to the following equation: accrual rate times years of service times monthly final average compensation.

Proposed law retains the present law calculation.

Present law establishes two "tiers" for members of LARF.

(1) For members hired on or before Sept. 30, 2006, the following apply:

- (a) The "monthly final average compensation" is the average of the member's salary during their 36 highest compensated months of employment.
- (b) Eligibility for retirement is:
  - (i) 12 years or more of service, at age 55.
  - (ii) 30 years or more of service, at any age.
- (c) The accrual rate for these members is 3.33%.

(2) For members hired on or after Oct. 1, 2006, the following apply:

- (a) The "monthly final average compensation" is the average of the member's salary during their 60 highest compensated months of employment.
- (b) Eligibility for retirement and the accrual rate are the same as for members hired on or before Sept. 30, 2006.

Proposed law retains present law. Proposed law further adds a new tier for members, those hired on or after Oct. 1, 2013. For these new members, the following apply:

- (1) The "monthly final average compensation" is the same as for members hired on or after Oct. 1, 2006.
- (2) Eligibility for retirement is:
  - (a) 12 years of service or more, at age 60.
  - (b) 30 years of service or more, at age 55.
- (3) The accrual rate for these members will be:
  - (a) 3% if the member retires with less than 30 years of service.
  - (b) 3.33% if the member retires with 30 or more years of service. Service credit transferred into the system at an accrual rate lower than 3.33% may not be used to gain the 3.33% accrual rate unless the member paid to upgrade the service credit at the time of the transfer, pursuant to present law.

Effective July 1, 2013.

(Amends R.S. 11:1421 and 1422(B); Adds R.S. 11:1422(C))