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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Margaret M. Corley.

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## DIGEST

Peacock (SB 259)

Present law defines "average final compensation" for members as the average of their 36 highest paid months of employment. Proposed law retains present law for current employees and for employees hired on or before December 31, 2014.

Proposed law defines "average compensation" for persons hired on or after January 1, 2014, as the average of their highest paid 60 months of employment.

Present law and proposed law both contain restrictions on "spiking" salaries of employees so that, year over year, a member's salary cannot increase over 15 percent over the prior year's salary.

Present law establishes retirement eligibility for FRS:

- (1) 25 years of service or more at any age.
- (2) 20 years of service or more at age 50.
- (3) 12 years of service or more at age 55.

Proposed law retains present law for current employees and employees hired on or before December 31, 2014.

Proposed law establishes retirement eligibility for FRS employees hired on or after January 1, 2014:

- (1) 20 years of service or more at age 50.
- (2) 12 years of service or more at age 55.

Present law provides a 3% accrual rate for members in FRS.

Proposed law retains present law for current employees and for employees hired on or before December 31, 2014.

Proposed law provides a 3% accrual rate for employees in FRS, hired on or after January 1, 2014; however, for any employee who earns 30 years of service credit, proposed law provides a 3% accrual rate for all years.

Proposed law requires that any additional benefit earned for continued employment after participation in a deferred retirement option plan (DROP) shall be calculated using the same period as that member's original final average compensation period.

Effective July 1, 2013.

(Amends R.S. 11:2252(4), 2256(A), and 2257(K)(3))