

Regular Session, 2013

HOUSE BILL NO. 65

BY REPRESENTATIVE JOHNSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT/STATE EMPS: Provides relative to the payment of insurance premiums for certain retirees of the Hazardous Duty Services Plan in the La. State Employees' Retirement System

1 AN ACT

2 To amend and reenact R.S. 11:620(E), relative to health insurance premiums for certain
3 retirees; to provide relative to payment of insurance premiums for certain retirees of
4 the Hazardous Duty Services Plan in the Louisiana State Employees' Retirement
5 System; 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. 11:620(E) is hereby amended and reenacted to read as follows:

11 §620. Transfer of other service credit

12 * * *

13 E.(1) ~~Notwithstanding any other provision of law to the contrary, the~~ The
14 premiums for health insurance coverage paid by any retiree who is participating in
15 the Office of Group Benefits program, who has transferred service credit to this plan
16 from another plan in this or any other state system, and who has retired pursuant to
17 R.S. 11:614(A)(1) or (2) before July 1, 2013, shall be ~~increased by an amount~~
18 ~~sufficient to pay for any increase in the employer's premiums resulting from his~~
19 ~~retirement pursuant to these provisions. Such increase in the retiree's premium shall~~

1 ~~be deducted from the retiree's monthly benefit and remitted to the Office of Group~~
2 ~~Benefits. The Office of Group Benefits shall offset the employer's premium~~
3 ~~payments by such amount established pursuant to the provisions of R.S. 42:851.~~

4 (2) The premiums for health insurance coverage paid by any retiree who is
5 participating in the Office of Group Benefits program, who has transferred service
6 credit to this plan from another plan in this or any other state system, and who has
7 retired pursuant to R.S. 11:614(A)(1) or (2) on or after July 1, 2013, shall be
8 increased by an amount sufficient to pay for any increase in the employer's premiums
9 resulting from his retirement pursuant to these provisions. Such increase in the
10 retiree's premium shall be deducted from the retiree's monthly benefit and remitted
11 to the Office of Group Benefits. The Office of Group Benefits shall offset the
12 employer's premium payments by such amount.

13 Section 2.(A) For the limited purpose of calculating revised amounts due pursuant
14 to this Act, this Act shall become effective upon signature by the governor or, if not signed
15 by the governor, upon expiration of the time for bills to become law without signature by the
16 governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed
17 by the governor and subsequently approved by the legislature, this Act shall become
18 effective on the day following such approval.

19 (B) For all other purposes, this Act shall become effective on July 1, 2013.

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)]

Johnson

HB No. 65

Abstract: Provides for the calculation of the retiree's portion of health insurance premiums for certain Hazardous Duty Services Plan retirees in the same manner as other state retirees.

Present law (R.S. 11:611 et seq.) establishes the Hazardous Duty Services Plan (hereafter Haz Duty Plan) within the La. State Employees' Retirement System (LASERS). This plan is mandatory for new hires after Jan. 1, 2011, and optional for employees who would have been eligible to be in the plan had they been hired after Jan. 1, 2011. Proposed law retains present law.

Retirement eligibility under the Haz Duty Plan is generally earlier than for other LASERS employees and is as follows:

- (1) 25 years or more of service, at any age.
- (2) 12 years or more of service, at age 55 or thereafter.
- (3) 20 years of service at any age, actuarially reduced from age 55.

Proposed law retains present law.

Present law (R.S. 42:851) establishes the proportion of health insurance premiums that most active and retired employees are to pay. These proportions depend on variables such as when an employee was hired, how long an employee worked, and whether the employee is eligible for Medicare. Provides that the state shall pay a certain percentage of the premium and the employee or retiree shall pay the difference.

Present law (R.S. 11:620(E)) requires members who transferred into the Haz Duty Plan and who retired under provisions that allowed them to collect a retirement benefit earlier than they otherwise would have to pay an increased proportion of their health insurance premiums.

Proposed law removes the present law requirement for the increased proportion of health insurance premiums for Haz Duty Plan members who retire prior to July 1, 2013. Proposed law retains present law for Haz Duty Plan members who retire on or after July 1, 2013.

For the limited purpose of calculating revised amounts due pursuant to the Act, effective upon signature of governor or lapse of time for gubernatorial action; otherwise effective July 1, 2013.

(Amends R.S. 11:620(E))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Appropriations to the original bill.

1. Provides that proposed law is applicable to those who retire before July 1, 2013.

House Floor Amendments to the engrossed bill.

1. Adds provision retaining present law for persons who retire on or after July 1, 2013.