

Prior law provided for transfer of service credit between La. public retirement systems. Specified application procedures, calculations, and payment deadlines. Provided for "reverse" transfers, but only coincident with retirement.

New law retains prior law and allows for certain in-service reverse transfers. Requires that application for an in-service reverse transfer be submitted to the receiving system on or before Dec. 31, 2013. Limits applicants for in-service reverse transfers to persons who are not state employees.

Prior law generally applicable to transfers specified that the retirement benefit based on the transferred time shall be calculated using the "percentage factor", commonly called the "accrual rate", of the transferring system.

Prior law, relative to certain transfers to the Sheriffs' Pension and Relief Fund and the secondary component and Hazardous Duty Services Plan of the La. State Employees' Retirement System, allowed the member to purchase the (higher) accrual rate of the receiving system's plan provisions. Provided for the calculation of the purchase price pursuant to prior law.

New law retains prior law and allows any person using the transfers authorized in new law to purchase the accrual rate of the receiving system at a price calculated pursuant to prior law.

New law, relative to members of the Firefighters' Retirement System (FRS), allows employees of the St. George Fire Department who applied to transfer service credit from the New Orleans Fire Firefighters' Pension and Relief Fund (NOFF) into FRS on or after Aug. 26, 1999, and on or before Dec. 31, 2007, to have the benefit accrual rate purchase permitted pursuant to new law funded by their employer. Specifies that new law is applicable only to that service credit transferred from NOFF during the designated time frame. Provides that the department shall pay an amount calculated pursuant to new law which, on an actuarial basis, totally offsets the increase in accrued liability of FRS resulting from the accrual rate adjustment.

Requires the adjusted accrual rate to be effective on the June 30<sup>th</sup> following the execution of the agreement required in new law. Mandates that the increase in benefit shall not be an accrued benefit subject to the protection of Article X, Section 29(E) of the Constitution until FRS has received full payment.

Specifies that the transaction permitted by new law shall be treated as a merger of service credit. Further requires the governing authorities of the department and FRS to execute a merger note to memorialize their respective obligations and requires the payments to be amortized over the period of time applicable to mergers. Further requires the department to make annual level payments to FRS and requires the annual interest rate applicable to the note to be fixed at 7.5%.

Requires that no funds derived from the assessments against insurers shall be used to pay any increased costs or increase in liability of FRS resulting from the provisions of new law.

Further requires that the provisions of new law shall not be construed to authorize an increase in payments to any person receiving benefits before the effective date of new law.

Effective June 30, 2013.

(Amends R.S. 11:143)