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## DIGEST

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Pearson

HB No. 38

**Abstract:** For members joining the system on or after July 1, 2014, changes the retirement age from 60 to 62 for new rank-and-file members of the La. State Employees' Retirement System (LASERS) and all new members of the Teachers' Retirement System of La. (TRSL) and the La. School Employees' Retirement System (LSERS).

### RETIREMENT ELIGIBILITY

Present law for LASERS and TRSL except certain TRSL members paid from school food service funds provides the following retirement eligibilities for members whose first employment making them eligible for membership in any state retirement system occurred on or after Jan. 1, 2011:

- (1) Retirement at age 60 after five years of service.
- (2) Retirement at any age after 20 years of service; however, the member's benefit will be actuarially reduced from age 60.

Present law provides the following retirement eligibilities for members of TRSL paid from school food service funds:

- (1) Five years of service and at least age 60.
- (2) 30 years of service and at least age 55.

Proposed law retains present law for such members hired on or before June 30, 2014.

Present law for LSERS provides the following retirement eligibilities for members whose first employment making them eligible for membership in any state system occurred on or after July 1, 2010:

- (1) Retirement at age 60 after five years of service.
- (2) Retirement at any age after 20 years of service; however, member's benefit will be actuarially reduced from age 60.

Proposed law retains present law for such members hired on or before June 30, 2014.

Proposed law provides for retirement eligibility for the following members whose first employment making them eligible for membership in a state retirement system began on or after July 1, 2014:

- (1) Rank-and-file members of LASERS.
- (2) All members of TRSL.
- (3) All members of LSERS.

Proposed law provides that such members are eligible for retirement at age 62 after five years of service. For all of the above members that are presently eligible, eligibility for an actuarially reduced retirement after 20 years of service at any age has been retained. The actuarial reduction for new members under proposed law would be from age 62.

Proposed law establishes the following retirement eligibilities for TRSL members paid from food service funds whose first employment making them eligible for membership in a state system occurred on or after July 1, 2014:

- (1) Five years of service and at least age 62.
- (2) 20 years of service at any age, actuarially reduced from age 62.

#### DISABILITY

Present law provides that members of LASERS, TRSL, and LSERS who become disabled are required to have a physician certify their continued total disability every three years until they attain age 60. Proposed law retains present law for all members whose first employment making them eligible for membership in a state retirement system occurred prior to July 1, 2014. Proposed law further provides that for all members whose first employment making them eligible for membership in a state retirement system occurred on or after July 1, 2014, such certification must continue until the member attains age 62.

#### COST-OF-LIVING ADJUSTMENTS

Present law provides the following qualifications for eligibility for permanent benefit increases granted pursuant to a system's experience account:

- (1) The retiree must have attained at least age 60 and have been retired for at least one year prior to the granting of the increase.
- (2) The retiree or the beneficiary of a retiree must have received benefits for at least one year prior to the granting of the increase, and the retiree would have attained age 60 by the time the increase is granted.
- (3) Disability retirees, regardless of age, must have received benefits for at least one year prior to the granting of the increase.

Proposed law retains present law for all members, regardless of the date the member joined the system.

Proposed law further provides technical corrections to present law.

(Amends R.S. 11:441(A)(2)(b), 461(B)(3)(b), 726(B), 761(A)(3) and (4), 765(A) and (B)(1), 780, 783(A)(3)(a), 786(A)(2) and (3), 802, 1141(A), 1142, and 1147(C)(4); Adds R.S. 11:441(A)(2)(c), 461(B)(3)(c), 761(A)(5), and 786(A)(4))