

Regular Session, 2014

HOUSE BILL NO. 64

BY REPRESENTATIVE HAVARD

RETIREMENT/STATE EMPS: Provides that certain employees of the Eastern La. Mental Health System are eligible for membership in the Hazardous Duty Services Plan in the La. State Employees' Retirement System

1 AN ACT

2 To amend and reenact R.S. 11:613(A) and 615(B) and to enact R.S. 11:612(2.1) and 620.1,  
3 relative to membership in the Hazardous Duty Services Plan in the Louisiana State  
4 Employees' Retirement System; to provide for membership of certain new hires; to  
5 provide for transfers into the plan by certain system members; to provide for  
6 funding; and to provide for related matters.

7 Notice of intention to introduce this Act has been published  
8 as provided by Article X, Section 29(C) of the Constitution  
9 of Louisiana.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 11:613(A) and 615(B) are hereby amended and reenacted and R.S.  
12 11:612(2.1) and 620.1 are hereby enacted to read as follows:

13 §612. Application; definitions

14 Terms not specifically defined in this Section shall have the meanings  
15 provided in R.S. 11:403 unless a different meaning is clearly required by the context.

16 For purposes of this Subpart:

17 \* \* \*

18 (2.1) In addition to the definition provided in Paragraph (2) of this Section,  
19 the term "member" shall also include any person employed by the Eastern Louisiana

1           Mental Health System as a therapeutic corrections guard or officer in the forensic  
 2           program whose first employment making him eligible for membership in one of the  
 3           state systems occurred on or after July 1, 2015.

4   \*         \*         \*

5           §613. Eligibility for plan membership

6                 A. Each person who becomes an employee in state service in one of the  
 7                 positions defined in R.S. 11:612(2) or (2.1) shall become a member of the Hazardous  
 8                 Duty Services Plan of the system as a condition of employment.

9   \*         \*         \*

10          §615. Retirement benefit calculation

11   \*         \*         \*

12                 B. If the member's last ten years of creditable service were not accrued  
 13                 exclusively in one of the hazardous duty positions defined in R.S. 11:612(2) or (2.1),  
 14                 he shall receive a retirement benefit equal to two and one-half percent of his average  
 15                 compensation for the actual number of years of creditable service earned in a  
 16                 hazardous duty position.

17   \*         \*         \*

18          §620.1. Transfer of other service credit; Eastern Louisiana Mental Health System  
 19                 employees

20                 A. Any member of this system or of another state or statewide system who  
 21                 is employed by the Eastern Louisiana Mental Health System, who would otherwise  
 22                 be eligible for benefits under the plan except that his first employment making him  
 23                 eligible for membership in any state system occurred on or before June 30, 2015,  
 24                 who has not participated in the Deferred Retirement Option Plan in the system of  
 25                 which he is a member, and who is not a reemployed retiree of his system or a retiree  
 26                 of this system reemployed under Option 1 or Option 3 as provided in R.S. 11:416  
 27                 shall have the right to irrevocably elect to become a member of the plan by  
 28                 submitting an application to the board of trustees to be effective on or after July 1,  
 29                 2015.

1           B. Any eligible member who elects to join the Hazardous Duty Services Plan  
2           from an existing system or plan shall have the option of:

3           (1)(a) Maintaining prior service credit in the existing system or plan pursuant  
4           to the provisions of that system or plan and accruing service credit and benefits in  
5           the Hazardous Duty Services Plan after the date he joins the plan. If such election  
6           results in an actuarial cost to this system, then the member shall pay the system the  
7           amount of such actuarial cost prior to his retirement.

8           (2)(a) An internal actuarial transfer from plan to plan in accordance with the  
9           provisions of R.S. 11:143(C) and (D) in which the member transfers all of his service  
10          credit from each other system or plan and maintains prior service credit at the accrual  
11          rate at which it was earned in the existing system or plan prior to joining the  
12          Hazardous Duty Services Plan. If the amount of funds transferred is less than the  
13          actuarial cost of the service transferred to the plan, the member transferring, except  
14          as otherwise provided in this Section, shall pay the deficit or difference, including  
15          the interest thereon at the board-approved actuarial valuation rate of the system.

16          (b) In lieu of paying the deficit or difference plus interest, the member may  
17          at his option, but only at the time of transfer, be granted an amount of credit in the  
18          plan which is based on the amount of funds actually transferred plus any additional  
19          funds less than the deficit paid by the member.

20          (c) Except as otherwise provided in Subparagraph (d) of this Paragraph, a  
21          member who completes a transfer under the provisions of this Section shall have his  
22          retirement benefit calculated using the accrual rate of the system or plan from which  
23          he transferred based on the number of years transferred.

24          (d) A member choosing an internal actuarial transfer shall be eligible to  
25          upgrade the service credit that was actuarially transferred pursuant to this Subsection  
26          to the accrual rate of the Hazardous Duty Services Plan by paying an amount that  
27          totally offsets the increase in actuarial liability resulting from the upgrade in  
28          accordance with R.S. 11:158.

1           C. An employee who is a contributing member of any other plan in this or  
2           another state or statewide system who would otherwise be required to become a  
3           member of this plan as a condition of employment in a position which would  
4           otherwise qualify him for such membership on or after July 1, 2015, may elect at the  
5           time of his employment in such position to remain a contributing member of the last  
6           plan in this system of which he was a member or of such other system for which he  
7           remains eligible for membership.

8           D. A member whose first employment making him eligible for membership  
9           in a state retirement system occurred on or before June 30, 2015, who elects to join  
10          this plan shall thereafter for purposes of all state retirement systems be treated as an  
11          employee whose membership is subject to Act No. 992 of the 2010 Regular Session  
12          of the Legislature.

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

22          Section 2. The cost of future accruals under the provisions of this Act, if any, shall  
23          be funded with additional employer contributions in compliance with Article X, Section  
24          29(F) of the Constitution of Louisiana.

25          Section 3. This Act shall become effective upon signature by the governor or, if not  
26          signed by the governor, upon expiration of the time for bills to become law without signature  
27          by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
28          vetoed by the governor and subsequently approved by the legislature, this Act shall become  
29          effective on the day following such approval.

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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)]

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Havard

HB No. 64

**Abstract:** Adds to the Hazardous Duty Services Plan in the La. State Employees' Retirement System (LASERS) new employees of the Eastern Louisiana Mental Health System who are employed as therapeutic corrections guards or officers in the forensic program.

Present law generally creates the Hazardous Duty Services Plan within LASERS for certain law enforcement personnel whose first employment making them eligible for membership in any state retirement system occurs on or after Jan. 1, 2011, and provides that members of existing hazardous duty plans may retain membership in those plans. The personnel eligible for the Hazardous Duty Services Plan include the following persons:

- (1) Wildlife agents of the enforcement division of the Dept. of Wildlife and Fisheries.
- (2) Wardens, correctional officers, security personnel, and probation and parole officers employed by the Dept. of Public Safety and Corrections (DPS&C).
- (3) Employees of the bridge police section of the Crescent City Connection Division of the Dept. of Transportation and Development (DOTD).
- (4) Full-time law enforcement personnel, supervisors, and administrators who are employed with the Dept. of Revenue, office of alcohol and tobacco control, who are P.O.S.T.-certified, who have the power to arrest, and who hold a commission from such office.
- (5) Peace officers, as defined by R.S. 40:2402(3)(a), employed by DPS&C, office of state police, other than state troopers.
- (6) Arson investigators employed by the office of state fire marshal who are P.O.S.T.-certified, who have the power to arrest, and who hold a commission from such office.
- (7) Park rangers employed by the Dept. of Culture, Recreation and Tourism, office of state parks, who are P.O.S.T.-certified, who have the power to arrest, and who hold a commission from such office.
- (8) Campus police officers employed by postsecondary education institutions, who are P.O.S.T.-certified, who have the power to arrest, and who hold a commission required for employment.
- (9) Hospital security officers employed by LSU Health Sciences Center, who are P.O.S.T.-certified, who have the power to arrest, and who hold a commission required for employment.
- (10) Investigators of the Dept. of Justice who are in a position required to be P.O.S.T.-certified.
- (11) Investigators of the office of state inspector general who are in a position required to be P.O.S.T.-certified.

- (12) All personnel employed in positions required to be P.O.S.T.-certified, who have the power to arrest, and who hold commissions required for employment, who are otherwise members of LASERS, and are not members of any other retirement system.

Proposed law adds employees of the Eastern La. Mental Health System who are therapeutic corrections guards or officers in the forensic program whose first employment making them eligible for membership in a state system occurred on or after July 1, 2015.

Proposed law authorizes qualifying employees of the Eastern La. Mental Health System to transfer service credit and upgrade accruals earned in other LASERS plans or other state or statewide retirement systems to the hazardous duty plan under certain circumstances, requires the member to pay certain actuarial costs and any additional cost related to Office of Group Benefits premiums.

Proposed law requires that the cost of future accruals pursuant to proposed law be funded with additional employer contributions in compliance with Art. X, §29(F) of the state constitution.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 11:613(A) and 615(B); Adds R.S. 11:612(2.1) and 620.1)

#### Summary of Amendments Adopted by House

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

1. Restricts applicability of proposed law to employees of the system who are employed as therapeutic corrections guards or officers in the forensic program.
2. Adds references to proposed law regarding therapeutic guards and officers to provisions with respect to membership and benefit calculations in the Hazardous Duty Services Plan.