

**ACT No. 143**

Regular Session, 2014

HOUSE BILL NO. 39

BY REPRESENTATIVE PEARSON

1 AN ACT

2 To enact R.S. 11:1456.1(E), relative to Back-Deferred Retirement Option Plan in the  
3 Louisiana Assessors' Retirement Fund; to provide relative to lump-sum distributions  
4 from such plan; to authorize transfers to a third-party provider; to provide relative  
5 to contracts to manage such funds; to provide relative to the rights, duties, and  
6 obligations of participants, providers, the fund, and the state; and to provide for  
7 related matters.

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

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 11:1456.1(E) is hereby enacted to read as follows:

13 §1456.1. Back-Deferred Retirement Option Program

14 \* \* \*

15 E.(1) In lieu of receiving a lump-sum benefit payment as set forth in  
16 Paragraph (D)(3) of this Section, the member may elect to transfer the lump-sum  
17 payment into a self-directed account managed by a third-party provider.

18 (2) The board may hire a third-party provider to manage the self-directed  
19 accounts authorized by this Subsection. The third-party provider shall act as an agent  
20 of the fund for purposes of investing balances in the self-directed accounts of the  
21 participant as directed by the participant. The participant shall be given such options  
22 as comply with federal law for self-directed plans.

23 (3) Any participant who elects to transfer the lump-sum Back-DROP  
24 payment into a self-directed account agrees that the benefits payable to the  
25 participant are not the obligations of the state or the fund and that any returns and

1           other rights of the plan are the sole liability and responsibility of the participant and  
2           the designated provider to which contributions have been made. Furthermore, each  
3           participant, in accordance with this provision, shall expressly waive his rights as set  
4           forth in Article X, Section 29(E)(5) of the Constitution of Louisiana as it relates to  
5           his Back-DROP account with the third-party provider. By electing to transfer the  
6           Back-DROP lump-sum payment into an account with a third-party provider, the  
7           participant agrees that he and the provider shall be responsible for complying with  
8           all applicable provisions of the Internal Revenue Code. The participant also agrees  
9           that if any violation of the Internal Revenue Code occurs as a result of the  
10           participant's decision to transfer his Back-DROP lump-sum payment into a self-  
11           directed account, it shall be the sole responsibility and liability of the participant and  
12           the provider and not of the state or the fund.

13                   (4) There shall be no liability on the part of and no cause of action of any  
14                   nature shall arise against the state, the fund, or the agents or employees of the state  
15                   or the fund for any action taken by the participant or for choices the participant  
16                   makes in relationship to the self-directed account funds in which he chooses to place  
17                   his account balance.

18           Section 2. This Act shall become effective upon signature by the governor or, if not  
19           signed by the governor, upon expiration of the time for bills to become law without signature  
20           by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
21           vetoed by the governor and subsequently approved by the legislature, this Act shall become  
22           effective on the day following such approval.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_