

# ACT No. 226

Regular Session, 2014

HOUSE BILL NO. 38

BY REPRESENTATIVE PEARSON

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AN ACT

To amend and reenact 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) and to enact R.S. 11:441(A)(2)(c), 461(B)(3)(c), 761(A)(5), and 786(A)(4), relative to retirement eligibility for certain new hires in the Louisiana State Employees' Retirement System, the Teachers' Retirement System of Louisiana, and the Louisiana School Employees' Retirement System; to establish new retirement eligibility for certain members hired on or after July 1, 2015; to provide relative to disability retirements; to provide for technical corrections; to provide for an effective date; and to provide for related matters.

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

Be it enacted by the Legislature of Louisiana:

Section 1. 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) are hereby amended and reenacted and R.S. 11:441(A)(2)(c), 461(B)(3)(c), 761(A)(5), and 786(A)(4) are hereby enacted to read as follows:

§441. Eligibility for retirement

A.

\* \* \*

(2)

\* \* \*

1                   (b) Except for members of the Hazardous Duty Services Plan, as defined in  
 2                   R.S. 11:612, any member whose first employment making him eligible for  
 3                   membership in one of the state systems occurred on or after January 1, 2011, and on  
 4                   or before June 30, 2015, including any judge, court officer, governor, lieutenant  
 5                   governor, clerk or sergeant-at-arms of the House of Representatives, secretary or  
 6                   sergeant-at-arms of the Senate, or state treasurer, shall be eligible for retirement if  
 7                   he has:

- 8                   (i) Five years or more of service, at age sixty or thereafter.
- 9                   (ii) Twenty years of service credit at any age, exclusive of military service  
 10                  and unused annual and sick leave, but any person retiring under this Item shall have  
 11                  his benefit, inclusive of military service credit and allowable unused annual and sick  
 12                  leave, actuarially reduced from the earliest age that he would normally become  
 13                  eligible for a regular retirement benefit under Item (i) of this Subparagraph if he had  
 14                  continued in service to that age. Any employee who elects to retire under the  
 15                  provisions of this Item shall not be eligible to participate in the Deferred Retirement  
 16                  Option Plan provided by R.S. 11:447 or the Initial Benefit Option provided by R.S.  
 17                  11:446.

18                   (c) Except for members of the Hazardous Duty Services Plan, as defined in  
 19                   R.S. 11:612, any member whose first employment making him eligible for  
 20                   membership in one of the state systems occurred on or after July 1, 2015, including  
 21                   any judge, court officer, governor, lieutenant governor, clerk or sergeant-at-arms of  
 22                   the House of Representatives, secretary or sergeant-at-arms of the Senate, or state  
 23                   treasurer, shall be eligible for retirement if he has:

- 24                   (i) Five years or more of service, at age sixty-two or thereafter.
- 25                   (ii) Twenty years of service credit at any age, exclusive of military service  
 26                   and unused annual and sick leave, but any person retiring under this Item shall have  
 27                   his benefit, inclusive of military service credit and allowable unused annual and sick  
 28                   leave, actuarially reduced from the earliest age that he would normally become  
 29                   eligible for a regular retirement benefit under Item (i) of this Subparagraph if he had  
 30                   continued in service to that age. Any employee who elects to retire under the

1 provisions of this Item shall not be eligible to participate in the Deferred Retirement  
2 Option Plan provided by R.S. 11:447 or the Initial Benefit Option provided by R.S.  
3 11:446.

4 \* \* \*

5 §461. Eligibility; certification

6 \* \* \*

7 B. The board of trustees shall award disability benefits to eligible members  
8 who have been officially certified as disabled by the State Medical Disability Board.

9 The disability benefit shall be determined as follows:

10 \* \* \*

11 (3)

12 \* \* \*

13 (b) Any person who has not attained the age of sixty and whose employment  
14 first making him eligible for membership in the system occurred on or after July 1,  
15 2006, and on or before June 30, 2015, shall receive a disability benefit equal to two  
16 and one-half percent of average compensation for every year of creditable service.  
17 When the disability retiree attains the age of sixty, he shall receive his regular  
18 retirement benefit upon making application therefor to the board. The provisions of  
19 this Subparagraph shall not apply to any person who receives an additional benefit  
20 pursuant to R.S. 11:444(A)(2)(b) or (c) or 557 or R.S. 24:36 whose first employment  
21 making him eligible for membership in one of the state systems occurred on or  
22 before December 31, 2010.

23 (c) Any person who has not attained the age of sixty-two and whose first  
24 employment making him eligible for membership in one of the state systems  
25 occurred on or after July 1, 2015, shall receive a disability benefit equal to two and  
26 one-half percent of average compensation for every year of creditable service. When  
27 the disability retiree attains the age of sixty-two, he shall receive his regular  
28 retirement benefit upon making application therefor to the board.

29 \* \* \*

1           §726. Termination of membership; withdrawal from service after five years;  
2                           ~~retirement at age sixty~~ regular retirement

3   \*       \*       \*

4                           B.(1) However, any member whose first employment making him eligible  
5                           for membership in one of the state systems occurred on or before June 30, 2015, who  
6                           has credit for five or more years of service may withdraw from service and elect to  
7                           leave his accumulated contributions in the system and, upon reaching age sixty, he  
8                           shall receive a retirement allowance based on the credits he had at the time of his  
9                           withdrawal from service.

10                           (2) Any member whose first employment making him eligible for  
11                           membership in one of the state systems occurred on or after July 1, 2015, who has  
12                           credit for five or more years of service may withdraw from service and elect to leave  
13                           his accumulated contributions in the system and, upon reaching age sixty-two, he  
14                           shall receive a retirement allowance based on the credits he had at the time of his  
15                           withdrawal from service.

16   \*       \*       \*

17           §761. Retirement benefits; application; eligibility requirements; effective date;  
18                           cancellation; errors and omissions

19                           A.

20   \*       \*       \*

21                           (3) Any person whose first employment making him eligible for membership  
22                           in one of the state systems occurred on or after January 1, 2011, and on or before  
23                           June 30, 2015, may retire upon written application to the board of trustees, if at the  
24                           time of application the member:

25                           (a) Has attained the age of sixty years and has credit for five years of  
26                           accredited service.

27                           (b) Has twenty years of service credit at any age, exclusive of unused annual  
28                           and sick leave and military service other than qualified military service as provided  
29                           in 26 U.S.C. 414(u) earned on or after December 12, 1994, but any person retiring  
30                           under this Subparagraph shall have his benefit, inclusive of military service credit

1 and allowable unused annual and sick leave, actuarially reduced from the earliest age  
 2 that he would normally become eligible for a regular retirement benefit under  
 3 Subparagraph (a) of this Paragraph if he had continued in service to that age. Any  
 4 member who elects to retire under the provisions of this Subparagraph shall not be  
 5 eligible to participate in the Deferred Retirement Option Plan provided by R.S.  
 6 11:786 or the Initial Lump-Sum Benefit option provided by R.S. 11:783.

7 (4) Any person whose first employment making him eligible for membership  
 8 in one of the state systems occurred on or after July 1, 2015, may retire upon written  
 9 application to the board of trustees, if at the time of application the member:

10 (a) Has attained the age of sixty-two years and has credit for five years of  
 11 accredited service.

12 (b) Has twenty years of service credit at any age, exclusive of unused annual  
 13 and sick leave and military service other than qualified military service as provided  
 14 in 26 U.S.C. 414(u) earned on or after December 12, 1994, but any person retiring  
 15 under this Subparagraph shall have his benefit, inclusive of military service credit  
 16 and allowable unused annual and sick leave, actuarially reduced from the earliest age  
 17 that he would normally become eligible for a regular retirement benefit under  
 18 Subparagraph (a) of this Paragraph if he had continued in service to that age. Any  
 19 member who elects to retire under the provisions of this Subparagraph shall not be  
 20 eligible to participate in the Deferred Retirement Option Plan provided by R.S.  
 21 11:786 or the Initial Lump-Sum Benefit option provided by R.S. 11:783.

22 (5)(a) A properly executed application for retirement shall be considered as  
 23 officially filed when received by the board of trustees of this system. Retirement  
 24 benefits shall become effective as of the date a properly executed application for  
 25 retirement is received by the board of trustees of this system or the day after the  
 26 member terminates from teaching service, whichever is later.

27 (b) A member may cancel his application for retirement only prior to  
 28 negotiating, cashing, or depositing any benefit check including an estimated benefit  
 29 check.

30 \* \* \*

1 §765. Withdrawal from service after five years; retirement at age sixty

2 A.(1) Any member whose first employment making him eligible for service  
 3 in one of the state systems occurred on or before June 30, 2015, who has credit for  
 4 five or more years of service may withdraw from service and elect to leave his  
 5 accumulated contributions in the system and, upon reaching age sixty, he shall  
 6 receive a retirement allowance based on the credits he had at the time of his  
 7 withdrawal from service.

8 (2) Any member whose first employment making him eligible for  
 9 membership in one of the state systems occurred on or after July 1, 2015, who has  
 10 credit for five or more years of service may withdraw from service and elect to leave  
 11 his accumulated contribution in the system and, upon reaching age sixty-two, he  
 12 shall receive a retirement allowance based on the credits he had at the time of his  
 13 withdrawal from service.

14 B.(1) The retirement allowance under this Section shall be due and payable  
 15 by the system effective the first day of the month following the attainment of the age  
 16 sixty required pursuant to Subsection A of this Section, but shall not be paid until a  
 17 written application for retirement is executed and filed with the system.

18 \* \* \*

19 §780. Reexamination of ~~beneficiaries retired for disability~~ retirees; modification of  
 20 benefits; restoration to active service

21 A. Once each year during the first five years following any retirement of a  
 22 member on a disability retirement allowance and once in every three-year period  
 23 thereafter, the board of trustees shall require any disability ~~beneficiary~~ retiree whose  
 24 first employment making him eligible for membership in one of the state systems  
 25 occurred on or before June 30, 2015, who has not yet attained the age of sixty years  
 26 and any disability retiree whose first employment making him eligible for  
 27 membership in one of the state systems occurred on or after July 1, 2015, who has  
 28 not yet attained the age of sixty-two to undergo a medical examination at the  
 29 ~~beneficiary's~~ retiree's expense, to be made at the place of residence of the ~~beneficiary~~  
 30 retiree or other place mutually agreed upon, by a physician or physicians designated

1 by the board of trustees. The periodic reexaminations may be discontinued upon  
2 advice of the medical board that the retiree's condition is either terminal or that  
3 chances of recovery are highly improbable. If any such disability ~~beneficiary retiree~~  
4 ~~who has not yet attained the age of sixty years~~ refuses to submit to at least one  
5 medical examination in any such year by a physician or physicians designated by the  
6 board of trustees, his allowance may be discontinued until his withdrawal of such  
7 refusal; but if his refusal continues for one year, all of his rights in and to his pension  
8 may be revoked by the board of trustees.

9 B. Every disability ~~beneficiary retiree~~ except a disability ~~beneficiary retiree~~  
10 who had no earnings and is determined by the Teachers' Retirement System of  
11 Louisiana to be incapacitated or who is residing in a nursing home shall submit to  
12 the board of trustees by May first of every year, a notarized annual earnings  
13 statement detailing his earned income from employment in the previous tax year.  
14 Should a ~~beneficiary retiree~~ refuse to submit such an earnings statement by May  
15 first, his allowance may be discontinued without retroactive reimbursement, until the  
16 statement is filed. Should his refusal continue for the remainder of the calendar year,  
17 all his rights in and to his disability pension may be revoked by the board of trustees.

18 C.(1) Notwithstanding the provisions of R.S. 11:221, if the medical board  
19 reports and certifies to the board of trustees that a disability ~~beneficiary retiree~~ is able  
20 to engage in a gainful occupation paying more than the difference between his  
21 retirement allowance and the average final compensation, and if the board of trustees  
22 concurs in this report, then, except as provided in either Paragraph (2) or (3) of this  
23 Subsection, the amount of his pension shall be reduced to an amount which, together  
24 with his annuity and the amount earnable by him, shall equal the amount of his  
25 average final compensation. If his earning capacity is later changed, the amount of  
26 his pension may be further modified; ~~provided, that~~ however, the new pension shall  
27 not exceed the amount of the pension originally granted nor an amount which, when  
28 added to the amount earnable by the ~~beneficiary retiree~~ together with his annuity,  
29 equals the amount of his average final compensation.

1                   (2)(a) The pay which is used to reduce benefits pursuant to Paragraph (1) of  
2                   this Subsection shall not include the amount equal to the difference between the  
3                   ~~beneficiary's~~ retiree's total annual benefit and the poverty threshold for a family unit  
4                   of one person under age sixty-five as determined by the United States Bureau of the  
5                   Census for the year in which such pay is earned.

6                   (b) Any disability ~~beneficiary~~ retiree who is engaged in a gainful occupation  
7                   shall provide such information or documentation as may be requested by the system  
8                   to implement the provisions of this Paragraph.

9                   (3)(a) If, pursuant to the provisions of this Subsection, the board of trustees  
10                  reduces the pension of any disability ~~beneficiary~~ retiree of this system who retired  
11                  pursuant to a reciprocal agreement between this system and any other state or  
12                  statewide public retirement system, the reduction shall be subject to Subparagraph  
13                  (b) of this Paragraph, provided the ~~beneficiary~~ retiree satisfies all of the following  
14                  provisions of this Subparagraph:

15                  (i) The vocational rehabilitation program within the Department of Children  
16                  and Family Services furnishes the ~~beneficiary~~ retiree with durable medical  
17                  equipment for use, subject to a requirement that the ~~beneficiary~~ retiree be engaged  
18                  in a gainful occupation for at least twenty hours per week.

19                  (ii) The ~~beneficiary~~ retiree furnishes any documentation as may be requested  
20                  by the Teachers' Retirement System of Louisiana.

21                  (b) Any income earned while working the twenty hours required by the  
22                  vocational rehabilitation program in order to use such durable medical equipment  
23                  shall not be included in the pay which is used to implement Paragraph (1) of this  
24                  Subsection. Any income which is derived from the same employment, but which is  
25                  derived from work in excess of the twenty hours required in relation to such  
26                  equipment shall be included for purposes of implementing Paragraph (1) of this  
27                  Subsection.

28                  D. For the purposes of this Section, there shall be an annual cost-of-living  
29                  adjustment to the average final compensation figure used in the modification  
30                  computations. This cost-of-living adjustment shall be based upon and directly reflect



1 the annual percentage increase or decrease in the Consumer Price Index for the  
2 preceding calendar year.

3 E. If any disability ~~beneficiary~~ retiree is restored to active service, his  
4 retirement allowance shall cease, he shall again become a member of the retirement  
5 system, and he shall contribute thereafter at the current rate in effect at the time he  
6 is restored to service, and if he contributes for at least three years, the period of time  
7 on disability shall be counted as accredited service for purposes of establishing  
8 retirement eligibility, but not for computation of benefits. Any prior service  
9 certificate on the basis of which his service was computed at the time of his  
10 retirement shall be restored to full force and effect and, in addition, upon his  
11 subsequent retirement he shall be credited with all his service as a member.

12 \* \* \*

13 §783. Selection of option for method of payment after death of member

14 A.

15 \* \* \*

16 (3) Initial Lump-Sum Benefit. (a) If a member has not participated in the  
17 Deferred Retirement Option Plan provided by the provisions of this Chapter, he shall  
18 be eligible to select an initial lump-sum benefit. The initial lump-sum benefit shall  
19 be available to any member of the system whose first employment making him  
20 eligible for membership in one of the state retirement systems occurred on or before  
21 December 31, 2010, and who has thirty years of creditable service, or is at least age  
22 fifty-five and has twenty-five years of creditable service, or is at least age sixty and  
23 has ten years of creditable service. Any member of the system whose first  
24 employment making him eligible for membership in one of the state retirement  
25 systems occurred on or after January 1, 2011, and on or before June 30, 2015, may  
26 select the initial lump-sum benefit if he is at least age sixty and has five years of  
27 service. Any member of the system whose first employment making him eligible for  
28 membership in one of the state retirement systems occurred on or after July 1, 2015,  
29 may select the initial lump-sum benefit if he is at least age sixty-two and has five  
30 years of service. If the maximum benefit, Option 2, 2A, 3, 3A, 4, or 4A above is

1 chosen, then the member may further elect to receive a reduced retirement allowance  
2 plus an initial benefit. The creditable service referenced in this Paragraph shall not  
3 include unused accumulated sick leave and unused accumulated annual leave.

4 \* \* \*

5 §786. Deferred Retirement Option Plan

6 A.

7 \* \* \*

8 (2) Any member of this system whose first employment making him eligible  
9 for membership in one of the state retirement systems occurred on or after January  
10 1, 2011, and on or before June 30, 2015, and who is not covered by R.S. 11:801 and  
11 who has five years of service credit and is at least age sixty may elect to participate  
12 in the Deferred Retirement Option Plan.

13 (3) Any member of this system whose first employment making him eligible  
14 for membership in one of the state retirement systems occurred on or before June 30,  
15 2015, who is covered by the provisions of R.S. 11:801 who has thirty years of  
16 service credit and is at least age fifty-five or has ten years of service credit and is at  
17 least age sixty may elect to participate in the Deferred Retirement Option Plan.

18 (4) Any member of this system whose first employment making him eligible  
19 for membership in one of the state retirement systems occurred on or after July 1,  
20 2015, who has at least five years of service credit and is at least age sixty-two may  
21 elect to participate in the Deferred Retirement Option Plan.

22 \* \* \*

23 §802. Eligibility for regular retirement

24 A. Any member covered by R.S. 11:801 whose first employment making  
25 him eligible for membership in one of the state systems occurred on or before June  
26 30, 2015, shall be eligible to retire if he has at least:

- 27 (1) Thirty years of creditable service, and is at least age fifty-five.
- 28 (2) Five years of creditable service, and is at least age sixty.

1           B. Any member covered by R.S. 11:801 whose first employment making  
2           him eligible for membership in a state system occurred on or after July 1, 2015, shall  
3           be eligible to retire if he has at least:

4                   (1) Five years of creditable service, and is at least age sixty-two.

5                   (2) Twenty years of service credit at any age, exclusive of unused annual and  
6           sick leave and military service other than qualified military service as provided in 26  
7           U.S.C. 414(u) earned on or after December 12, 1994, but any person retiring under  
8           this Paragraph shall have his benefit, inclusive of military service credit and  
9           allowable unused annual and sick leave, actuarially reduced from the earliest age that  
10           he would normally become eligible for a regular retirement benefit under Paragraph  
11           (1) of this Subsection if he had continued in service to that age. Any member who  
12           elects to retire under the provisions of this Paragraph shall not be eligible to  
13           participate in the Deferred Retirement Option Plan provided by R.S. 11:786 or the  
14           Initial Lump-Sum Benefit option provided by R.S. 11:783.

15   \*       \*       \*

16           §1141. Retirement benefits; application; eligibility requirements; effective date;  
17   cancellation

18           A. Any member whose first employment making him eligible for  
19           membership in one of the state systems occurred on or before June 30, 2010, may  
20           retire upon written application to the board of trustees, if the member at the time of  
21           application has attained the age of sixty years and has credit for ten years of  
22           accredited service or has attained the age of fifty-five years and has credit for  
23           twenty-five or more years of accredited service or at any age with thirty or more  
24           years of accredited service. Any member whose first employment making him  
25           eligible for membership in one of the state systems occurred on or after July 1, 2010,  
26           and on or before June 30, 2015, may retire upon written application to the board of  
27           trustees, if the member at the time of application has attained the age of sixty years  
28           and has credit for five years of accredited service. Any member whose first  
29           employment making him eligible for membership in one of the state systems  
30           occurred on or after July 1, 2015, may retire upon written application to the board



1            systems occurred on or before June 30, 2015, shall no longer be required to submit  
2            to regular medical exams nor to file the annual income report upon attainment of age  
3            sixty ~~and thereafter~~.

4            (b) Regardless of the effective date of his retirement and notwithstanding the  
5            provisions of R.S. 11:220(A) and 221(C), a disability retiree whose first employment  
6            making him eligible for membership in one of the state systems occurred on or after  
7            July 1, 2015, shall no longer be required to submit to regular medical exams nor to  
8            file the annual income report upon attainment of age sixty-two.

9            Section 2. This Act shall become effective on June 30, 2014; if vetoed by the  
10          governor and subsequently approved by the legislature, this Act shall become effective on  
11          June 30, 2014, or on the day following such approval by the legislature, whichever is later.

\_\_\_\_\_  
SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
PRESIDENT OF THE SENATE

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

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