

CONFERENCE COMMITTEE REPORT
Senate Bill No. 2 By Senator Mills

June 1, 2014

To the Honorable President and Members of the Senate and to the Honorable Speaker and Members of the House of Representatives.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning Senate Bill No. 2 by Senator Mills, recommend the following concerning the Engrossed bill:

1. That the set of House Committee Amendments proposed by House Committee on Retirement and adopted by the House of Representatives on May 21, 2014, be rejected.
2. That the following amendments to the engrossed bill be adopted:

AMENDMENT NO. 1

On page 1, line 2, change "1903(A)(2)" to "446(F), 450(B), and 471.1(G)"

AMENDMENT NO. 2

On page 1, delete lines 3 and 4, and insert "retirement benefits of public employees hired after a certain date; to provide for participation, options, contributions, and eligibility; to provide for technical corrections; to provide for an effective date; and to"

AMENDMENT NO. 3

On page 1, line 8, change "1903(A)(2) is" to "446(F), 450(B), and 471.1(G) are"

AMENDMENT NO. 4

On page 1, between lines 9 and 10, insert the following:

"§446. Mode of payment where option elected

* * *

F. If the member is married, the designated beneficiary for a qualified joint and survivor annuity and any Deferred Retirement Option Plan benefits payable in accordance with law shall be his spouse, unless such spouse has consented to the contrary in writing before a notary public, or such spouse cannot be located and the member submits an original affidavit signed by him before a notary public which evidences good faith efforts to locate the spouse. If the member does not select a joint and survivor annuity option and fails to provide such a spousal consent at the time of his retirement ~~and his spouse survives him~~, then for the purposes of a retirement benefit option the system shall establish the benefit as if the member had selected the Option 3 joint and survivor annuity as provided in Paragraph (3) of Subsection (A)(3) of this Section. For purposes of this Paragraph, "spouse" shall mean that person who is married to the member under a legal regime of community of acquets and gains on his effective date of retirement or effective date of participation in the Deferred Retirement Option Plan, whichever is earlier.

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§450. Termination of participation

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B. Upon termination of participation in the plan but not employment, credits to the account shall cease and no retirement benefits shall be paid to the participant until employment is terminated. The balance in the participant's subaccount shall be placed in a self-directed subaccount in the name of the participant as provided for in R.S. 11:451.1, and the participant shall then be bound by the provisions of ~~said that~~ Section. No payment shall be made based on credits in the subaccount until employment is terminated as defined in this Section. The participant may continue employment after termination of participation in the plan for the sole purpose of accruing a supplemental benefit, and employer and employee contributions shall resume. ~~Correction officers, probation and parole officers, and security officers of the Department of Public Safety and Corrections; peace officers of the Department of Public Safety and Corrections, office of state police, other than state troopers, as provided in R.S. 11:444(A)(2)(b); and personnel employed by the Department of Revenue, office of alcohol and tobacco control, as provided in R.S. 11:444(A)(2)(c),~~ **Participants** who have ended their participation in the Deferred Retirement Option Plan but not employment shall make contributions at the rate established in R.S. 11:62(5)(b).

* * *

§471.1. Survivors' benefits; members hired on or after January 1, 2011

* * *

G. If a member dies, even after retirement, eligible ~~minor~~ children shall receive the benefits under Subsection C of this Section.

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AMENDMENT NO. 5

On page 1, delete lines 12 through 17 and on page 2, delete lines 1 through 10

AMENDMENT NO. 6

On page 2, line 12, after "F." and before "(1)" insert the following:

"Notwithstanding any provision of this Chapter to the contrary, a hospital service district located in a parish with a total population between seventy thousand and eighty thousand persons as of the latest federal decennial census may terminate coverage for employees of the district first hired on or after January 1, 2015, as further provided in this Subsection."

AMENDMENT NO. 7

On page 2, line 18, after "(3)" delete the remainder of the line and insert "**If, pursuant to this Subsection, an**"

AMENDMENT NO. 8

On page 2, line 19, delete "**prospectively**"

AMENDMENT NO. 9

On page 2, line 20, delete "**prospective**"

AMENDMENT NO. 10

On page 2, line 22, delete "**prospective**"

Respectfully submitted,

Senators:

Senator Fred Mills

Senator Elbert Guillory

Senator Patrick Page Cortez

Representatives:

Representative J. Kevin Pearson

Representative Taylor F. Barras

Representative Simone B. Champagne

The legislative instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Margaret M. Corley.

CONFERENCE COMMITTEE REPORT DIGEST

Senate Bill No. 2 by Senator Mills

Keyword and summary of the bill as proposed by the Conference Committee

RETIREMENT BENEFITS. Provides relative to public employee benefits. (1/1/2015)

Report rejects House amendments which would have:

1. Added provision specifying that the agreement continues for coverage for all employees hired prior to the prospective termination.
3. Removed January 1, 2015, effective date.

Report amends the bill to:

1. Provide for options, contributions, and eligibility related to payment for and of state employees benefits.
2. Restrict applicability of certain provisions to any hospital service district located in a parish with a total population between 70,000 and 80,000 persons.

Digest of the bill as proposed by the Conference Committee

Present law relative to the Louisiana State Employees' Retirement System (LASERS) provides for election of an actuarially equivalent benefit in lieu of a maximum benefit, allowing the member who is retiring to designate a beneficiary to continue to receive a lifetime annuity after the member's death. Specifies that for a married member, the designated beneficiary is the person's spouse unless the spouse has consented to the contrary in writing.

In the absence of spousal consent, present law requires LASERS to establish the member's benefit as if the member had selected to designate a spouse who survives him to receive 50% of the member's annuity.

Proposed law retains present law. Clarifies that the establishment of this option occurs at the time of retirement.

Present law provides for contributions to resume if a Deferred Retirement Option Plan (DROP) participant continues in employment. Specifies that for certain public safety employees, the contribution rate shall be the rate prescribed in present law.

Proposed law retains present law and clarifies that the present law rates are applicable to every position covered by LASERS.

Present law provides for survivor benefits for a member's spouse and certain children. Provides for payment of the benefits to a child if that child is a minor or is handicapped or mentally disabled.

Present law further provides for the benefits under present law to be paid to eligible minor children even if the LASERS member is retired at the time of death.

Proposed law retains present law and extends these benefits to all eligible children.

Proposed law authorizes prospective termination of participation in the Parochial Employees' Retirement System (System) by a hospital service district located in a parish with a total

population between 70,000 and 80,000 persons. Requires that the prospective termination apply only to new employees of the district hired on or after January 1, 2015.

Proposed law applies the following requirements for a prospective termination:

1. That all provisions of the agreement for coverage between the hospital service district and the system remain in effect for employees hired prior to the prospective termination.
2. Requires that new employees may not later be enrolled in the system unless the board of trustees of the System approves the coverage.
3. Requires the prospective termination to follow all notice and other requirements of termination in the agreement for coverage.
4. Requires the terminating employer to remit that portion of the UAL, if any, attributable to the employer's prospective termination. Provides that the amount to be remitted shall be determined as of the December 31st immediately prior to the termination date.
5. Requires the amount due to be determined by the System actuary and to be paid either in a lump sum or amortized over ten years in equal monthly payments with interest.
6. Specifies that if the employer fails to pay the amount due in a timely manner, then the payment shall be collected in the same manner as other delinquent payments pursuant to present law.

Effective January 1, 2015.

(Amends R.S. 11:446(F), 450(B), and 471.1(G); adds R.S. 11:1903(F))