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

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## 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 31<sup>st</sup> 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))