Mills (SB 2) **Act No. 851**

Relative to the Louisiana State Employees' Retirement System (LASERS):

Prior law provided 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. Specified 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, prior law required 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.

New law retains prior law. Clarifies that the establishment of this option occurs at the time of retirement.

Prior law provided for contributions to resume if a Deferred Retirement Option Plan (DROP) participant continues in employment. Specified that for certain public safety employees, the contribution rate shall be the rate prescribed in prior law.

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

Prior law provided 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.

Prior law further provided for the benefits under prior law to be paid to eligible minor children even if the LASERS member is retired at the time of death.

New law retains prior law and extends these benefits to all eligible children.

Relative to the Parochials Employees' Retirement System ("System"):

New law authorizes prospective termination of participation in the 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.

New 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 10 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 prior law.

Effective January 1, 2015.

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