

Regular Session, 2006

HOUSE BILL NO. 178

BY REPRESENTATIVE SCHNEIDER

RETIREMENT/DROP: Provides for interruptions in DROP entry and DROP participation periods occasioned by Hurricanes Katrina and Rita

1 AN ACT

2 To amend and reenact R.S. 11:323(A), (B), and (D), relative to provisions affecting more
3 than one retirement system; to provide with respect to participation in the Deferred
4 Retirement Option Plan of certain retirement systems by certain persons; to allow
5 certain terminated members to adjust the periods applicable to their participation in
6 the plan under certain circumstances; to provide for participation in the plan upon
7 reemployment; to provide for an effective date; and to provide for 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. 11:323(A), (B), and (D) are hereby amended and reenacted to read
13 as follows:

14 §323. Deferred Retirement Option Plan participation; ~~public school system~~
15 ~~employees~~ members terminated due to hurricanes

16 A. The provisions of this Section shall apply to the following state and
17 statewide retirement systems:

- 18 (1) The Louisiana School Employees' Retirement System.
- 19 (2) The Teachers' Retirement System of Louisiana.
- 20 (3) The Louisiana State Employees' Retirement System.

- 1 (4) The Assessors' Retirement Fund.
- 2 (5) The Clerks' of Court Retirement and Relief Fund.
- 3 (6) The District Attorneys' Retirement System.
- 4 (7) The Municipal Employees' Retirement System of Louisiana.
- 5 (8) The Parochial Employees' Retirement System of Louisiana.
- 6 (9) The Registrars of Voters Employees' Retirement System.
- 7 (10) The Municipal Police Employees' Retirement System.
- 8 (11) The Firefighters' Retirement System.

9 B. Notwithstanding any provision of law to the contrary, any employee of
10 ~~a city, parish, or other public elementary and secondary school system or of a public~~
11 ~~postsecondary education institution or system~~ who is a member of a retirement
12 system to which this Section applies, who has not retired, whose participation in the
13 Deferred Retirement Option Plan of that system was interrupted or ceased upon his
14 being terminated due to a reduction-in-force necessitated by Hurricane Katrina or
15 Hurricane Rita or both, shall have the time period applicable to his plan participation
16 adjusted upon his reemployment as ~~an employee of a city, parish, or other public~~
17 ~~elementary and secondary school system or of a public postsecondary education~~
18 ~~institution or system~~ and resumption of active membership in the retirement system
19 to which he belonged before being terminated. The time period applicable to his
20 plan participation shall be calculated as provided in this Section. However, in no
21 case shall this Section be applicable to anyone who becomes reemployed more than
22 one year after being furloughed or terminated, whichever occurs first, or to anyone
23 reemployed on or after December 31, 2006.

* * *

25 D. The provisions of this Section shall supersede any provision of law to the
26 contrary, including but not limited to R.S. 11:447(C), 786(B), ~~and 1152(C), 1456(C)~~
27 ~~and (D), 1530(C) and (D), 1639(B), 1763(C) and (D), 1938(C) and (D), 2144(C) and~~
28 ~~(D), 2221(C) and (D), and 2257(C) and (D),~~ to the extent there is any conflict.

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

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

Schneider

HB No. 178

Abstract: Provides for members of certain state and statewide retirement systems who were participating in DROP at the time they were terminated due to Hurricanes Katrina and Rita to reenter DROP for the duration of their selected plan participation period upon reemployment.

Present law, relative to certain state and statewide retirement systems, provides for participation in the Deferred Retirement Option Plan (DROP) by certain system members in lieu of terminating employment and accepting a retirement allowance.

Proposed law retains present law.

Present law provides that election to participate in DROP may be made only once, for a specified period not to exceed three years. Further provides that the three-year period begins within 60 calendar days of the member's first eligibility to participate in DROP. Provides that the DROP participation period shall end not later than three years and 60 calendar days after the member's first eligibility to participate.

Proposed law retains present law.

Present law provides for adjustment of the DROP participation period for any employee who is a member of the La. School Employees' Retirement System (LSERS) or the Teachers' Retirement System of La. (TRSL) who has not retired, and whose participation in DROP ceased upon being furloughed or terminated due to a reduction-in-force necessitated by Hurricanes Katrina or Rita, or both. Applies only to employees of local public school systems and public postsecondary education institutions or systems who are reemployed in such positions.

Proposed law retains present law, except removes provision making it applicable only to public school systems and postsecondary education. Additionally makes it applicable to:

- (1) The Louisiana State Employees' Retirement System.
- (2) The Assessors' Retirement Fund.
- (3) The Clerks' of Court Retirement and Relief Fund.
- (4) The District Attorneys' Retirement System.
- (5) The Municipal Employees' Retirement System of Louisiana.
- (6) The Parochial Employees' Retirement System of Louisiana.
- (7) The Registrars of Voters Employees' Retirement System.
- (8) The Municipal Police Employees' Retirement System.
- (9) The Firefighters' Retirement System.

Present law provides that present law is not applicable to anyone who becomes reemployed more than one year after initially being furloughed or terminated or to anyone reemployed on or after Dec. 31, 2006.

Proposed law retains present law.

Present law provides that any person to whom present law applies who began DROP on or before Sept. 24, 2005, and who had not completed his DROP participation period shall reenter DROP upon his reemployment and his participation period shall resume. Provides that the total duration of the person's participation in DROP before termination and after reentry shall not exceed the DROP participation period he specified upon initial entry into DROP.

Proposed law retains present law.

Present law provides that, notwithstanding any other provision of present law to the contrary, any interest credited to the DROP account of a person to whom present law applies during the period between termination and reemployment shall be forfeited.

Proposed law retains present law.

Present law provides that the provisions of present law shall supersede any provision of law to the contrary, including but not limited to present law DROP provisions for TRSL (R.S. 11:786(B)), LSERS (R.S. 11:1152(C)), and LASERS (R.S. 11:447(C)), to the extent there is any conflict.

Proposed law retains present law and further provides that provisions of proposed law shall supersede any provision of law to the contrary, including but not limited to present law DROP provisions for Assessors' (R.S. 11:1456(C) and (D)), Clerks' (R.S. 11:1530(C) and (D)), DARS (R.S. 11:1639(B)), MERS (R.S. 11:1763(C) and (D)), PERS (R.S. 11:1938(C) and (D)), Registrars (R.S. 11:2144(C) and (D)), MPERS (R.S. 11:2221(C) and (D)), and FRS (R.S. 11:2257(C) and (D)) to the extent there is any conflict.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 11:323(A), (B), and (D))