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## DIGEST

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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))