STATE POLICE RETIREMENT. Clarifies and standardizes language relative to certain benefits. (6/30/22)

AN ACT

To amend and reenact R.S. 11:1307(E), 1310(A)(2)(a), 1312.1(A)(2) and the introductory paragraph of (D)(2), 1318, 1321(A)(1), 1322(B) and (D), 1323(B)(1), (C), and (D)(1), and 1345.8(B)(1), and to enact R.S. 11:1322.1, relative to the Louisiana State Police Retirement System; to provide with respect to benefits; to provide relative to qualifications for payment; to provide for clarification of statutory language; to provide relative to payment of benefits to a trust for specific beneficiaries; to provide for an effective date; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:1307(E), 1310(A)(2)(a), 1312.1(A)(2) and the introductory paragraph of (D)(2), 1318, 1321(A)(1), 1322(B) and (D), 1323(B)(1), (C), and (D)(1), and 1345.8(B)(1) are hereby amended and reenacted and R.S. 11:1322.1 is hereby enacted to read as follows:

§1307. Persons eligible to retire on basis of service and age; retirement benefits

*    *    *

E. In lieu of receiving the regular retirement salary computed pursuant to
Subsection A of this Section, a member of the system who does not participate in the
Back-Deferred Retirement Option Program provided by the provisions of this
Chapter and who is eligible for a regular retirement salary computed pursuant to
Subsection A of this Section or R.S. 11:1345.4 may elect to receive a reduced
retirement salary plus an initial benefit, provided the initial benefit, together with the
reduced retirement salary, shall be certified by the actuary to be actuarially
equivalent to the member's regular retirement salary computed pursuant to
Subsection A of this Section or R.S. 11:1345.4. The amount of the initial benefit, as
determined by the member, shall not exceed an amount equal to the member's
maximum monthly retirement salary multiplied by thirty-six. The initial benefit
shall, at the option of the member, be paid as a lump sum or placed in an interest-
éarning account in accordance with R.S. 11:1312.1(D)(4). Cost-of-living adjustments
granted by the board of trustees to retirees who elect to receive a reduced retirement
salary and an initial benefit shall be based only on the reduced retirement salary and
shall not be based on the initial benefit.

§1310. Average salary; method of determining

A. (2)(a) With respect to persons becoming employed on and after September
8, 1978, and whose first employment making them eligible for membership in one
of the state systems occurred on or before December 31, 2010, the term "average
salary" as used in this Chapter for the purpose of determining pension payments and
retirement is the average salary including any additional pay or salary provided by
the legislature over and above that set by the Civil Service Commission, received for
the thirty-six month period ending on the last day of the month immediately
preceding the date of retirement or date of death or for any thirty-six consecutive
months thirty-six highest months of successive employment, or for the highest
thirty-six successive joined months of employment where interruption of service
occurred, whichever is the greatest. For the purposes of computation, "average
salary" shall not include overtime, expenses, or clothing allowances.

§1312.1. Back-Deferred Retirement Option Program

A.(1) 

(2) In lieu of receiving a normal retirement benefit pursuant to R.S. 11:1307
through 1310 or R.S. 11:1345.4 and 1345.5, an eligible member of the system may
elect to retire and have his benefits structured, calculated, and paid as provided in
this Section.

D.(1) 

(2) The member's Back-DROP monthly benefit shall be calculated pursuant
to the provisions applicable for service retirement set forth in R.S. 11:1307 through
1310 or R.S. 11:1345.4 and 1345.5, subject to the following conditions:

§1318. Pension of children with physical or mental disabilities of deceased
employee hired on or before December 31, 2010

A. Any child of a deceased member whose first employment making him
eligible for membership in one of the state systems occurred on or before December
31, 2010, whether under or over the age of eighteen years, shall be entitled to the
same benefits, payable in the same manner as provided by this Chapter for surviving
spouses, if the child has a total and permanent physical disability or mental
disability.

B. The applicant shall provide adequate proof of total and permanent
physical or mental disability of such surviving child or children and shall notify the
board of any subsequent changes in the child's condition. The board may require a
certified statement of the child's eligibility status at the end of each calendar year.

§1321. Surviving spouse remarrying; forfeiture of pension; employees hired on or
before December 31, 2010
A.(1) This Section shall apply to the surviving spouse of any member whose
first employment making him eligible for membership in one of the state systems
occurred on or before December 31, 2010. If the surviving spouse of a deceased
employee remarries while receiving the surviving spouse's pension under the
provisions of this Chapter, such spouse thereupon forfeits all rights to the spouse's
pension, except as provided in R.S. 11:234.

§1322. Death of former or retired employee hired on or before December 31, 2010;
pension payable to survivors

B. The surviving spouse of a deceased retired employee shall receive a
pension in an amount equal to the monthly retirement pay that was being paid to the
decedent on the date of death, not to exceed one hundred percent of the member's
average compensation, provided the surviving spouse was married to the decedent
for at least two years prior to the decedent's death.

D. Remarriage of the surviving spouse acts as a forfeiture of any rights to
receive any further benefits hereunder, except as provided in R.S. 11:234 and R.S.
11:1321(B).

§1322.1. Children's benefits; payment to trust

The benefits payable to a child under this Chapter shall be paid to the
person having legal custody of the property of the child, unless a trust created
under Louisiana law has been created by the deceased member for the benefit
of the child, the terms of the instrument creating the trust so provide and the
system has been provided with a certified copy of the trust document, then the
survivor benefit shall be paid to the trust under the terms of the trust for
addition to the trust property. In the event that the trust is contested by any
party, the system shall withhold all survivor benefit payments or deposit them
in the registry of the court if a concursus proceeding is filed, until there is a final
binding legal agreement or judgment regarding the proper payment of the
survivor benefits.

§1323. Death of employee not in performance of duty; employees hired on or after
January 1, 2011

* * *

B.(1) A surviving spouse with a minor child or child with a total and
permanent physical or mental disability, or a child with a mental disability, or
children shall be paid per month, for so long as one or more children remain eligible
for benefits under Subsection C of this Section, fifty percent of the benefit to which
the member would have been entitled if he had retired on the date of his death using
the member's applicable accrual rate regardless of years of service or age, or six
hundred dollars per month, whichever is greater, provided the deceased member was
an active member at the time of death and had five or more years of service credit,
(at least two years of which were earned immediately prior to death or provided the
deceased member had twenty or more years of service credit regardless of when
earned or whether the deceased member was in active service at the time of death.

* * *

C.(1) In addition to the amount payable in accordance with Subsection B of
this Section, for the benefit of the surviving minor child, or children, there shall be
paid for each such child, subject to a maximum of two children, per month fifty
percent of the benefit to which a spouse would be entitled under Subsection B of this
Section. Benefits shall be payable to such children even if no spouse eligible for
survivor benefits is present, provided the member had at least five years of service
credit. Benefits for a child shall cease when the child is no longer a minor child as
defined by this Chapter. No surviving minor child shall receive more than one
survivor's benefit at any one time. If two benefits are applicable, only the larger shall
be paid.

(2)(a) In addition to the amount payable in accordance with Subsection B of
this Section, any surviving child of a deceased member, whether under or over the age of eighteen years, shall be entitled to the same benefits, payable in the same manner, as are provided by this Section for minor children, if the child has a total and permanent physical disability or mental disability, and had such disability at the time of the death of the member and is dependent upon the surviving spouse or other legal guardian.

(b) The applicant shall provide adequate proof of physical or mental disability of such surviving child or children and shall notify the board of any subsequent changes in the child's condition to such an extent that the child is no longer dependent upon the surviving spouse or legal guardian and any changes in the assistance being received from other state agencies. The board may require a certified statement of the child's eligibility status at the end of each calendar year.

(3) In no event shall the benefits payable under this Subsection be more than the benefit payable under Subsection B of this Section. In the event that more than two children are eligible for a benefit under this Subsection, the eligible children shall share equally in the benefit.

D.(1) A surviving spouse without a minor child or a child with a total and permanent physical or mental disability, or a child with a mental disability, or children shall be paid per month, for the remainder of his life, a benefit based on years of service that the member had earned to the date of his death using the applicable accrual rate, or six hundred dollars per month, whichever is greater, provided the surviving spouse had been married to the deceased member for at least one year prior to death, and provided the deceased member was an active member at the time of death and had ten or more years of service credit, at least two years of which were earned immediately prior to death or provided the deceased member had twenty or more years of service credit regardless of when earned or whether the deceased member was in active service at the time of death.

* * *

§1345.8. Survivors' benefit for members killed in the line of duty; death by an
intentional act of violence

B.(1) If the member has a surviving spouse, a child or children who are minors, have a total and permanent physical or mental disability, or are mentally incapacitated, or both a surviving spouse and a child or children, the amount of the total benefit shall equal eighty percent of the member's average compensation. The benefit shall be shared equally by the surviving spouse and any children. When a child who neither has a disability nor is mentally incapacitated does not have a total and permanent physical or mental disability no longer meets the definition of minor child under R.S. 11:1301, his benefit shall cease, and the remaining beneficiaries shall have their shares adjusted accordingly.

Section 2. This Act shall become effective on June 30, 2022; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on June 30, 2022, or on the day following such approval by the legislature, whichever is earlier.
deceased members or retirees, including surviving children with certain disabilities.

Proposed law retains present law and standardizes the language used to identify eligible children and to calculate benefits payable to those children.

Present law, applicable only to State Police, provides for forfeiture of a surviving spouse's rights to benefits from the system upon remarriage. Present law, applicable to all state and statewide retirement systems including State Police, specifies that if the remarriage occurs after the spouse attains age 55, benefits shall not be discontinued.

Proposed law retains present law and incorporates present law exception applicable to all state and statewide systems in the system-specific present law.

Proposed law provides for benefits payable to a child from the system to be paid into a trust created by the decedent for the benefit of the child. Provides that if the trust is contested the system will withhold the benefit payments or deposit them in the registry of the court until there is a final binding legal agreement or judgment regarding the proper payment of the survivor benefits.

Effective June 30, 2022.

(Amends R.S. 11:1307(E), 1310(A)(2)(a), 1312.1(A)(2) and (D)(2)(intro. para.), 1318, 1321(A)(1), 1322(B) and (D), 1323(B)(1), (C), and (D)(1), and 1345.8(B)(1); adds R.S. 11:1322.1)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Retirement to the original bill

1. Make technical corrections.

Senate Floor Amendments to engrossed bill

1. Makes technical changes.