Pearson (HB 96) **Act No. 270**

New law provides that a member of a state or statewide retirement system, upon applying for retirement, may irrevocably elect a retirement payment option whereby his benefit is actuarially reduced, but he shall receive a 2.5% COLA annually on his retirement anniversary date. Such COLA shall only be payable to retirees who are 55 and older.

New law provides that the annual 2.5% compounded COLAs shall not be based on any other COLAs the systems may grant.

New law provides that any retiree who has exercised the option provided by new law shall also receive any additional COLA that may be granted by the system's board of trustees pursuant to existing law. In such case, the additional COLA shall be based on the retiree's monthly benefit amount as it exists when such COLA is granted.

New law provides relative to the applicability of annual COLAs to Deferred Retirement Option Plan (DROP) accounts. Provides that spousal beneficiaries may receive the annual COLA upon the retiree's death if the retiree has chosen to have his benefits paid to such spouse upon his death. Provides that the annual COLA is not available to disability retirees in LASERS, but is available to disability retirees in other systems upon conversion to a service retirement.

New law provides that any member may request from the system estimates of how much his benefit will be pursuant to new law for the 5th, 10th, and 15th year following his retirement, provided he certifies that he is contemplating availing himself of new law.

Effective July 1, 2009.

(Adds R.S. 11:247, 446(A)(6), and 783(A)(4))