

Regular Session, 2011

HOUSE BILL NO. 404

BY REPRESENTATIVE ELLINGTON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT/STATE EMPS: Provides for the purchase of credit for certain federal service

1 AN ACT

2 To enact R.S. 11:428, relative to the Louisiana State Employees' Retirement System; to
3 provide for purchase of service credit for certain federal service; to provide for the
4 purchase price of such service credit; to provide for an effective date; and to provide
5 for related matters.

6 Notice of intention to introduce this Act has been published
7 as provided by Article X, Section 29(C) of the Constitution
8 of Louisiana.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:428 is hereby enacted to read as follows:

11 §428. Credit for certain federal service

12 A. Any active, contributing member of the system who has credit in the
13 system for at least one year of service shall be eligible to obtain credit in this system
14 for all service rendered during any period of time in which the member was
15 contributing to a retirement plan for federal employees, as further provided in this
16 Section.

17 B.(1) In order to receive such credit, the member shall make application to
18 the system and shall furnish a statement of all service for which credit is to be
19 purchased, including the dates of such service, in such form as the board requires.

1 (2) The member shall pay to the system the amount calculated in accordance
2 with the actuarial cost provisions of R.S. 11:158.

3 (3) The amount to be paid shall be paid in one lump sum, whether by the
4 member or through a direct rollover, and no service credit shall be given to the
5 member unless the amount is paid in full.

6 (4) No member shall receive service credit pursuant to this Section if he has
7 service credit in a retirement plan for federal employees which duplicates the credit
8 being purchased pursuant to this Section.

9 C. Any service credit purchased pursuant to this Section shall be used for
10 purposes of attaining eligibility for retirement as well as for calculation of benefits.

11 Section 2. This Act shall become effective on July 1, 2011; if vetoed by the governor
12 and subsequently approved by the legislature, this Act shall become effective on July 1,
13 2011, or on the day following such approval by the legislature, whichever is later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Ellington

HB No. 404

Abstract: For members of the La. State Employees' Retirement System (LASERS), provides for the purchase of service credit for certain federal service.

Proposed law provides for purchase of service credit in LASERS by any active, contributing member for federal service during which the member contributed to a federal employees retirement plan.

Present law (R.S. 11:158) provides that if a purchase of service credit is available under a retirement system's provisions, the purchase price shall be the greater of: (1) The full actuarial cost necessary to offset the liabilities; or (2) the employee and employer contributions, plus interest, that would have been remitted to the system during the time of service. Proposed law provides for purchase of service credit at a price as provided in present law.

Proposed law provides for application to purchase such credit and determination of purchase price. Provides that the purchased credit shall be used for purposes of attaining eligibility for retirement as well as for calculation of benefits.

Effective July 1, 2011.

(Adds R.S. 11:428)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Retirement to the original bill.

1. Deletes optional potential purchase price of LASERS service credit being the employee and employer contributions based on the member's current salary.
2. Provides that no LASERS credit shall be granted if the member has duplicative credit in a federal retirement system.