

HOUSE COMMITTEE AMENDMENTS

Amendments proposed by House Committee on Retirement to Engrossed Senate Bill No. 6 by Senator Guillory

AMENDMENT NO. 1

On page 1, delete lines 2 and 3 in their entirety and at the beginning of line 4, delete "Retirement System;" and insert in lieu thereof:

"To amend and reenact R.S. 11:22(B)(13), 42(B)(11), 62(11), 102(B)(1) and (3)(d)(vi) and (vii), 141, 142(F)(3), 151(B), 162(A), 182(A)(1), 204, 251, 701(introductory paragraph), (6), (7), (9), (15), (17), (18), (19), (23), (27), (29), (31), (33)(a)(v)(bb) and (cc) and (viii)(bb) and (cc), (b)(iii), and (d), 702(A), 710(A), (B)(1)(a) and (2), (C)(1), and (D), 721.1(A) and (B), 723(A), 728(A)(introductory paragraph), (B)(1)(a)(introductory paragraph), (C)(1)(a) and (b)(ii) and (iii) and (2)(a), (E), and (F)(1) and (3), 733, 734, 738(A) and (B), 752(A), (B), and (E), 753, 755, 761(B), 762(A), (C), and (G), 765(A) and (B)(1), 768(D)(2) and (3), 780(C)(3)(a)(introductory paragraph) and (E), 780.1, 781(A)(1) and (3)(b) and (B), 783(A)(3)(a), (D)(1)(b)(iii) and (2), (E), (F), (G)(1)(b)(iii), (I)(1)(b)(iii), and (K)(2), 784(F) and (G), 784.1(A)(1)(introductory paragraph), (B)(2)(b), (C), (D), and (E), 786(A) and (D), 788(A) and (C)(introductory paragraph) and (3), 811(A), (B), and (C), 813, 826, 829, 832, 833, 834, 836, 851, 871, 872, 875(introductory paragraph), (1), (4)(b) and (c), and (5), 881(introductory paragraph), (4), and (8), 883.1(A), (B), (C)(1)(introductory paragraph) and (4)(c)(i), and (G), 885(2) and (4), 888, 896, 921(A)(introductory paragraph), 925 through 928, 929(A), (C), (E), and (F), 942.1(A), 942.4, 942.5, 942.7(A), 942.8(A), 942.9, 945, 946(A) through (D), 947(A), (C), and (D), 1001(A) and (B), 1002(introductory paragraph), (6)(a) and (b), (7), (8), (9), (12), (13), (15) through (19), (22), (24), (26), and (27), 1004(A) and (C), 1006(A)(1), (B), (C), and (D), 1007(A), (B), (C)(1), and (F), 1111, 1112, 1114, 1118, 1119, 1120, 1133, 1137, 1138, 1139, 1141(B) and (C)(1)(b) and (2), 1144(B)(3) and (C), 1145.1(A)(1), (B)(1), (C)(1)(introductory paragraph) and (4)(c), and (D), 1147(B)(3) and (C)(2)(a)(i) and (ii), 1149, 1151.1(A), (C)(1), (E), and (J), 1152(E), (F), (J)(3) and (4), and (L), 1172, 1181, 1193(A)(1)(b), (2)(a), and (4) and (B)(3), 1195.1, 1195.2, 1202(A)(2) and (4) and (C), to enact Subpart P of Part II of Chapter 4 of Subtitle I of Title 11 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 11:331, R.S. 11:701(22.1), 822(A)(10), 883.1.1(F), 1002(21.1), and to repeal R.S. 11:4(A)(1)(c), 22(B)(5), 42(B)(4), 62(4), 154(A)(3), 158(B)(6), 173(A)(3), 174(B)(3), 181(A)(3), 185(A)(3), 234(A)(5), 262(5), 272(A)(3), 281(A)(2), 312(A)(5), 323(A)(1), 730, 831, 1001(C), 1162 through 1165, 1166 through 1171, and 1173, relative to the merger of the Teachers' Retirement System of Louisiana and the Louisiana School Employees' Retirement System; to provide relative to consolidation of the administration of the two systems; to provide relative to the maintenance of separate plans, including asset pools, actuarial valuations, contribution rates, and benefit entitlements; to require a report on consolidation of plans and experience accounts; to provide for the redesignation of certain provisions of Title 11 of the Louisiana Revised Statutes of 1950 and to direct the Louisiana State Law Institute with respect to such redesignations;"

AMENDMENT NO. 2

On page 1, delete line 9 in its entirety and delete the remainder of the page in its entirety and delete page 2 in its entirety and insert in lieu thereof the following:

"Section 1. R.S. 11:22(B)(13), 42(B)(11), 62(11), 102(B)(1) and (3)(d)(vi) and (vii), 141, 142(F)(3), 151(B), 162(A), 182(A)(1), 204, 251, 701(introductory paragraph), (6), (7), (9), (15), (17), (18), (19), (23), (27), (29), (31), (33)(a)(v)(bb) and (cc) and (viii)(bb) and (cc) and (b)(iii), 702(A), 710(A), (B)(1)(a) and (2), (C)(1), and (D), 721.1(A) and (B), 723(A), 728(A)(introductory paragraph), (B)(1)(a)(introductory paragraph), (C)(1)(a) and (b)(ii) and

(iii) and (2)(a), (E), and (F)(1) and (3), 733, 734, 738(A) and (B), 752(A), (B), and (E), 753, 755, 761(B), 762(A), (C), and (G), 765(A) and (B)(1), 768(D)(2) and (3), 780(C)(3)(a)(introductory paragraph) and (E), 780.1, 781(A)(1) and (3)(b) and (B), 783(A)(3)(a), (D)(1)(b)(iii) and (2), (E), (F), (G)(1)(b)(iii), (I)(1)(b)(iii), and (K)(2), 784(F) and (G), 784.1(A)(1)(introductory paragraph), (B)(2)(b), (C), (D), and (E), 786(A) and (D), 788(A) and (C)(introductory paragraph) and (3), 811(A), (B), and (C), 813, 826, 829, 832, 833, 834, 836, 851, 871, 872, 875(introductory paragraph), (1), (4)(b) and (c), and (5), 881(introductory paragraph), (4), and (8), 883.1(A), (B), (C)(1)(introductory paragraph) and (4)(c)(i), and (G), 885(2) and (4), 888, 896, 921(A)(introductory paragraph), 925 through 928, 929(A), (C), (E), and (F), 942.1(A), 942.4, 942.5, 942.7(A), 942.8(A), 942.9, 945, 946(A) through (D), 947(A), (C), and (D), 1001(A) and (B), 1002(introductory paragraph), (6)(a) and (b), (7), (8), (9), (12), (13), (15) through (19), (22), (24), (26), and (27), 1004(A) and (C), 1006(A)(1), (B), (C), and (D), 1007(A), (B), (C)(1), and (F), 1111, 1112, 1114, 1118, 1119, 1120, 1133, 1137, 1138, 1139, 1141(B) and (C)(1)(b) and (2), 1144(B)(3) and (C), 1145.1(A)(1), (B)(1), (C)(1)(introductory paragraph) and (4)(c), and (D), 1147(B)(3) and (C)(2)(a)(i) and (ii), 1149, 1151.1(A), (C)(1), (E), and (J), 1152(E), (F), (J)(3) and (4), and (L), 1172, 1181, 1193(A)(1)(b), (2)(a), and (4) and (B)(3), 1195.1, 1195.2, 1202(A)(2) and (4) and (C) are hereby amended and reenacted and Subpart P of Part II of Chapter 4 of Subtitle I of Title 11 of the Louisiana Revised Statutes of 1950, comprised of R.S. 11:331, R.S. 11:701(22.1), 822(A)(10), 883.1.1(F), 1002(21.1) are hereby enacted to read as follows:

§22. Methods of actuarial valuation established

* * *

B. The following funding methods shall be utilized to determine actuarially required contributions:

* * *

(13) Teachers' Retirement System of Louisiana: ~~projected unit credit.~~

(a) Teachers' Retirement Plan: projected unit credit.

(b) Louisiana School Employees' Plan: entry age normal.

* * *

§42. Unfunded accrued liabilities; amortization

* * *

B. The provisions of this Subsection shall be implemented and accomplished by the governing authorities of the state and statewide public retirement systems as set forth herein.

* * *

(11)(a) Teachers' Retirement System of Louisiana. The unfunded accrued liability, as of June 30, 1988, determined under the funding method specified in R.S. 11:22(B)(13), shall be amortized over a forty-year period, commencing with the Fiscal Year 1989-1990. The outstanding balance of the unfunded accrued liability as of July 1, 1992, shall be amortized over the remaining thirty-seven-year period with payments forming an annuity increasing at four and one-half percent annually.

(b) Effective for the June 30, 2009, valuation and beginning July 1, 2010, the outstanding balance of this unfunded accrued liability shall be consolidated with other amortization bases and credits as provided in R.S. 11:102.2, and that consolidated total shall be amortized over the remaining constitutionally-mandated period with annual payments beginning in Fiscal Year 2010-2011. The final payment shall be made in Fiscal Year 2028-2029.

(c) Effective for the June 30, 2012, valuation and all subsequent valuations, Subparagraphs (a) and (b) of this Paragraph shall apply only to the Teachers' Retirement Plan within the Teachers' Retirement System of Louisiana.

(d) Effective for the June 30, 2012, valuation and all subsequent valuations, the unfunded accrued liability or surplus, as of June 30, 1988, determined under the funding method specified in R.S. 11:22(B)(13)(b) for the Louisiana School Employees' Plan, shall be amortized over a forty-year period, commencing with Fiscal Year 1989-1990, with level dollar payments annually.

* * *

§62. Employee contribution rates established

Employee contributions to state and statewide public retirement systems shall be paid at the following rates, except as otherwise provided by law:

* * *

(11) Teachers' Retirement System of Louisiana:

(a) Teachers' Retirement Plan:

(i) School lunch Plan A - 9.1%.

~~(b)~~ (ii) School lunch Plan B - 5%.

~~(c)~~ (iii) All others - 8%.

(b) Louisiana School Employees' Plan:

(i) Employees whose first employment making them eligible for membership in one of the state systems occurred on or before June 30, 2010 - 7.5%.

(ii) Employees whose first employment making them eligible for membership in one of the state systems occurred on or after July 1, 2010 - 8%.

* * *

§102. Employer contributions; determination; state systems

* * *

B.(1)(a) Except as provided in Subsection C of this Section for the Louisiana State Employees' Retirement System and except as provided in R.S. 11:102.1 and 102.2 and in Paragraph (5) of this Subsection and Subparagraph (b) of this Paragraph, for each fiscal year, commencing with Fiscal Year 1989-1990, for each of the public retirement systems referenced in Subsection A of this Section, the legislature shall set the required employer contribution rate equal to the actuarially required employer contribution, as determined under Paragraph (3) of this Subsection, divided by the total projected payroll of all active members of each particular system for the fiscal year. Each entity funding a portion of a member's salary shall also fund the employer's contribution on that portion of the member's salary at the employer contribution rate specified in this Subsection.

(b) For each fiscal year, commencing with Fiscal Year 2012-2013, for the Teachers' Retirement System of Louisiana, a separate valuation prepared pursuant to the provisions of this Section shall be completed for each plan within the system. To facilitate this process, each plan shall be treated as a system for the purposes of this Section.

* * *

(3) With respect to each state public retirement system, the actuarially required employer contribution for each fiscal year, commencing with Fiscal Year 1989-1990, shall be that dollar amount equal to the sum of:

* * *

(d) That fiscal year's payment, computed as of the first of that fiscal year and projected to the middle of that fiscal year at the actuarially assumed interest rate, necessary to amortize changes in actuarial liability due to:

* * *

(vi) Effective July 1, 2004, and beginning with Fiscal Year 2000-2001, the amortization period for the changes, gains, or losses of the Louisiana School Employees' ~~Retirement System Plan in the Teachers' Retirement System of Louisiana~~ provided in Items (i) through (iv) of this Subparagraph shall be thirty years, or in accordance with standards promulgated by the Governmental Accounting Standards Board, from the year in which the change, gain, or loss occurred. The outstanding balances of amortization bases established pursuant to Items (i) through (iv) of this Subparagraph before Fiscal Year 2000-2001, shall be amortized as a level dollar amount from July 1, 2004, through June 30, 2029. Beginning with Fiscal Year 2003-2004, and for each fiscal year thereafter, the outstanding balances of amortization bases established pursuant to Items (i) through (iv) of this Subparagraph shall be amortized as a level dollar amount.

(vii) Effective July 1, 2004, and beginning with Fiscal Year 2000-2001, the amortization period for the changes, gains, or losses of the Teachers' Retirement Plan in the Teachers' Retirement System of Louisiana provided in Items (i) through (iv) of this Subparagraph shall be thirty years, or in accordance with standards promulgated by the Governmental Accounting Standards Board, from the year in which the change, gain, or loss occurred. The outstanding balances of amortization bases established pursuant to Items (i) through (iv) of this Subparagraph before Fiscal Year 2000-2001, shall be amortized as a level dollar amount from July 1,

2004, through June 30, 2029. Beginning with Fiscal Year 2003-2004, and for each fiscal year thereafter, the outstanding balances of amortization bases established pursuant to Items (i) through (iv) of this Subparagraph shall be amortized as a level dollar amount.

* * *

§141. Retention of credits

Any person who is a member of any actuarially funded system paid for in whole or part from public funds, other than the State Employees' Retirement System of Louisiana, ~~the Louisiana School Employees' Retirement System of Louisiana,~~ and the Teachers' Retirement System of Louisiana, and who transfers to other public employment where he is no longer eligible for membership in the original retirement system but becomes a member of another actuarially funded system paid for in whole or part from public funds and who has creditable service in the first system for at least ten years, shall have the right to retain membership in the first system, and in the event he becomes eligible for retirement under this second system he shall be entitled to receive a pro rata benefit from each system, each such benefit to be calculated on the years of creditable service and the formula in use in the system from which the benefit is paid.

§142. Reciprocal recognition of credited service in state, parochial, and municipal systems

* * *

F. Each system in which a member has membership service credit shall compute the benefits due from that system using its benefit formula in effect on the date of retirement, or on the date of death while in service, and in addition, the following provisions shall apply:

* * *

(3) If two or more systems provide a lump sum benefit as part of the formula benefit, as in the Louisiana State Employees' Retirement System; and the Teachers' Retirement System of Louisiana; ~~and the School Employees' Retirement System of Louisiana;~~ but not limited to these systems, each such system shall pay only that percentage of the additional lump sum benefit that credited service in that system represents of total credited service with respect to all of the systems which provide an additional lump sum benefit; however, in no instance shall the total additional lump sum benefit payable by all of the systems be less than the greatest lump sum benefit payable by any of them, and if the total benefit payable as above provided is less than such greatest lump sum benefit, the system having the greatest lump sum benefit shall pay the difference.

* * *

§151. Worker's compensation benefits; employee and employer contributions to continue

* * *

B. Whenever any member of the Teachers' Retirement System of Louisiana; ~~or the Louisiana School Employees' Retirement System~~ is receiving worker's compensation benefits, but has not retired for disability, the employee may pay contributions based on a salary not to exceed the greater of his worker's compensation benefit received from his employer or his salary at the time of qualification for worker's compensation benefits. He shall only receive pro rata service credit during any period in which the employee contributions are less than that which would have been contributed if based on the salary at the time of qualification for worker's compensation benefits. The employer shall pay the employer's contribution based on the amount on which the employee's contributions are based.

* * *

§162. Classes of employees not eligible for membership

A. The provisions of this Section shall apply to the Louisiana State Employees' Retirement System, the Teachers' Retirement System of Louisiana, and the State Police Pension and Retirement System; ~~and the Louisiana School Employees' Retirement System.~~

* * *

1 §182. Boards of trustees of state and statewide public retirement systems; per diem
 2 and expenses

3 A.(1) Notwithstanding any other provisions of law to the contrary, the
 4 members of the boards of trustees of the Louisiana State Employees' Retirement
 5 System, the Teachers' Retirement System of Louisiana, ~~the Louisiana School~~
 6 ~~Employees' Retirement System~~, the Municipal Police Employees' Retirement
 7 System, the State Police Pension and Retirement System, the Parochial Employees'
 8 Retirement System of Louisiana, the Municipal Employees' Retirement System of
 9 Louisiana, the Firefighters' Retirement System, the Assessors' Retirement Fund, the
 10 Clerks' of Court Retirement and Relief Fund, the Registrars of Voters Employees'
 11 Retirement System, the Sheriffs' Pension and Relief Fund, and the District Attorneys'
 12 Retirement System shall receive for attendance at meetings of the boards a per diem
 13 of seventy-five dollars per meeting plus the normal expense allowance, provided
 14 funds are available for this purpose.

15 * * *

16 §204. School Employees' Retirement Plan in the Teachers' Retirement System

17 A. A member of the Louisiana School Employees' Retirement Plan within
 18 the Teachers' Retirement System of Louisiana who becomes disabled, and who files
 19 for disability benefits while in service, and who upon medical examination and
 20 certification, as provided for elsewhere in this Subpart, is found to be totally disabled
 21 for any cause, shall be entitled to disability benefits under the provisions of R.S.
 22 11:1147(C), provided that the disability was incurred while the member was an
 23 active contributing member in active service. However, if the application for
 24 disability benefits is not filed while the member is in state service, it shall be
 25 presumed that the disability was not incurred while the member was an active
 26 contributing member in active service. Such presumption may be overcome only by
 27 clear, competent, and convincing evidence that the disability was incurred while the
 28 member was an active contributing member in active service.

29 B.(1) A person whose ~~system plan~~ membership began on or before June 30,
 30 2006, applying for a disability benefit shall have five years of actual credited service
 31 in order to qualify for a disability benefit. Such member shall not use credit earned
 32 while receiving workers' compensation in order to meet the minimum five-year
 33 eligibility requirement; however, any member of the plan receiving workers'
 34 compensation prior to January 1, 1991, shall be allowed to use credit earned while
 35 receiving workers' compensation to meet the minimum five-year eligibility
 36 requirement.

37 (2) A person whose ~~system plan~~ membership began on or after July 1, 2006,
 38 applying for a disability benefit shall have ten years of actual credited service in
 39 order to qualify for a disability benefit. Such member shall not use credit earned
 40 while receiving workers' compensation in order to meet the minimum ten-year
 41 eligibility requirement.

42 * * *

43 §251. Legal counsel, certified public accountants, professional investment personnel

44 Notwithstanding any other provisions of law to the contrary, the boards of
 45 trustees of the Louisiana State Employees' Retirement System, the Teachers'
 46 Retirement System of Louisiana, ~~the Louisiana School Employees' Retirement~~
 47 ~~System~~, the Municipal Police Employees' Retirement System, the State Police
 48 Pension and Retirement System, the Parochial Employees' Retirement System of
 49 Louisiana, the Municipal Employees' Retirement System of Louisiana, the
 50 Firefighters Retirement System, the Assessors' Retirement Fund, the Clerks of Court
 51 Retirement and Relief Fund, the Registrars of Voters Employees' Retirement System,
 52 the Sheriffs' Pension and Relief Fund, and the District Attorneys' Retirement System
 53 are hereby authorized, jointly or otherwise, to at their option either employ or
 54 appoint at their own cost and expense legal counsel, certified public accountants, and
 55 professional investment personnel who shall be full-time in-house staff members of
 56 said systems, who may be members of the appropriate public retirement system, and
 57 who may participate in the state's group life, health, and hospitalization insurance
 58 program, or to retain legal counsel to represent said systems who shall not be a
 59 member of any of the above systems.

* * *

SUBPART P. LEGISLATIVE INTENT

§331. Legislative intent

The Legislature of Louisiana hereby declares that the intent of the provisions of this Title that originated as HB No. 1198 of the 2012 Regular Session of the Legislature is to attain and maintain the actuarial soundness of state and statewide systems as required by the Constitution of Louisiana, Article X, Section 29.

* * *

CHAPTER 2. TEACHERS' RETIREMENT SYSTEM OF LOUISIANA

PART I. TEACHERS' RETIREMENT PLAN

SUBPART A. GENERAL PROVISIONS

§701. Definitions

As used in this Chapter Part, the following words and phrases have the meanings ascribed to them in this Section unless a different meaning is plainly required by the context:

* * *

(6) "Beneficiary" means the eligible recipient of a pension, annuity, retirement allowance, or other benefit provided in this Chapter Part. A beneficiary shall be a natural person or the succession of a natural person, except as provided in R.S. 11:762(J).

(7) "Board of Trustees" or "board" means the board provided for in Subpart E of this Part V of this Chapter to administer the retirement system plans provided for in this Chapter.

* * *

(9) "Creditable Service" means "Prior Service" plus "Membership Service" for which credit is allowable as provided in Subpart C of this Part III of this Chapter. A person may not obtain more than one year of service credit during any fiscal year.

* * *

(15) "Maximum benefit" means the retirement benefit a member is entitled to receive from the system set forth in Subpart D of this Part IV of this Chapter in any month after giving effect to R.S. 11:784.1 and any similar provisions of any other qualified plans of the employer designed to conform to Section 415 of the Internal Revenue Code.

* * *

(17) "Member" means any teacher included in the membership of the system plan as provided in Subpart B of this Part II of this Chapter.

(18) "Membership Service" means service as a teacher rendered while a member of the retirement system plan.

(19) "Minor child" means an unmarried child under the age of twenty-one years or an unmarried student under the age of twenty-three years who is the issue of a marriage of a member of this system plan, the legally adopted child of a member of this system plan, a child born outside of marriage of a female member of this system plan, or the child of a male member of this system plan if a court of competent jurisdiction has, pursuant to the provisions of the Civil Code rendered a judgment of filiation declaring the paternity of such member for the child. An unmarried child who has become mentally disabled or totally and permanently disabled prior to age twenty-one, as certified by the medical board, shall be considered a "minor child" for the purposes of the benefit provisions of this Chapter Part and shall remain a "minor child" provided the medical board certifies he is mentally disabled or totally and permanently disabled and provided he remains unmarried.

* * *

(22.1) "Plan" means the Teachers' Retirement Plan and includes funds, mechanisms, rules, regulations, and rights relative to retirement of members of the plan.

(23) "Prior Service" means service rendered prior to the date of establishment of the retirement system August 1, 1936, for which credit is allowable under Subpart C of this Part III of this Chapter.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59

* * *

(27) "Retirement" means withdrawal from active service with a retirement allowance granted under the provisions of this ~~Chapter Part~~.

* * *

(29) "Retirement System" or "System" means the Teachers' Retirement System of Louisiana as ~~defined in R.S. 11:702~~ established in this Chapter and comprised of the Teachers' Retirement Plan and the Louisiana School Employees' Retirement Plan.

* * *

(31) "Spouse" shall mean a person who is legally married to a member of this ~~system plan~~ and shall not include a person who is legally separated from a member of this ~~system plan~~ by a judgment of separation, unless such person has voluntarily reconciled with the member and which reconciliation is established by a court of competent jurisdiction.

* * *

(33)(a) "Teacher", except as provided in Subparagraph (b) of this Paragraph, shall mean any of the following:

* * *

(v)

* * *

(bb) Notwithstanding the provisions of this Item or any other provision of law to the contrary, any non-bargaining employee whose initial effective date of employment occurred on or before June 30, 2001, shall be eligible to irrevocably elect to terminate his membership in this ~~system plan~~, provided such election to terminate membership is exercised on or before September 30, 2001. Any non-bargaining employee whose initial effective date of employment occurs on or after July 1, 2001, shall have the irrevocable option to not participate in this ~~system plan~~, provided that such option to not participate must be made within sixty days after the effective date of his employment and any such employee who fails to exercise the option not to participate shall become a participating member of this ~~system plan~~. For purposes of this Subitem, the phrase "non-bargaining employee" shall mean any employee of the Louisiana Association of Educators whose employment is not covered by a collective bargaining agreement.

(cc) Notwithstanding any other provision of law to the contrary, any non-bargaining employee who retires from the Teachers' Retirement ~~System Plan~~ and later is reemployed in a position covered by the provisions of this ~~Chapter Part~~ shall not have his retirement benefits reduced or suspended during such reemployment.

* * *

(viii)

* * *

(bb) Notwithstanding the provisions of this Item or any other provision of law to the contrary, any director, secretary, staff member, or any other individual employed by the Louisiana High School Athletic Association on or after July 1, 2000, and on or before June 30, 2011, who does not have a valid Louisiana teacher's certificate shall not be required to participate in the ~~system plan~~.

(cc) Any individual employed by the Louisiana High School Athletic Association on or before June 30, 2011, who has a valid Louisiana teacher's certificate shall be required to participate in the ~~system plan~~ provided the person satisfies all other eligibility criteria set forth in this ~~Chapter Part~~.

* * *

(b) "Teacher" shall not include any of the following:

* * *

(iii) Any employees of the State Department of Education except that persons employed by the State Department of Education on and after July 1, 1991, who are members of this ~~system plan~~ shall remain members of this ~~system plan~~.

* * *

§702. Name and establishment of retirement system

A.(1) A retirement system is established with all the powers and privileges pertaining to corporations, under the management of the board of trustees for the

1 purpose of providing retirement allowances and other benefits under the provisions
 2 of this Chapter for teachers of the state of Louisiana. The retirement system so
 3 created shall be established as of the first day of August nineteen hundred and
 4 thirty-six.

5 (2) Beginning on July 1, 2012, this retirement system shall also provide
 6 retirement allowances and other benefits to other school employees of the state of
 7 Louisiana in accordance with Part II of this Chapter.

8 * * *

9 §710. Employment of retirees

10 A. For purposes of this Section, "retired teacher" shall mean any of the
 11 following:

12 (1) A retired member who returns to active service covered by the provisions
 13 of this ~~Chapter Part~~ as a full-time or part-time classroom teacher who teaches any
 14 student in kindergarten through twelfth grade in a critical teacher shortage area. For
 15 purposes of this Paragraph, "critical shortage area" shall mean any subject area
 16 where a shortage of certified teachers exists in that subject area, subject to the
 17 provisions of Subsection F of this Section. For purposes of this Paragraph,
 18 "classroom teacher" shall mean any employee, whose position of employment
 19 requires a valid Louisiana teaching certificate and who is assigned the professional
 20 activities of instructing pupils in courses in classroom situations for which daily
 21 pupil attendance figures for the school system are kept. Such classroom situations
 22 may include teaching in a school classroom or in other settings such as a home or
 23 hospital or other learning situations such as cocurricular activities, which instruction
 24 may be provided in person or through an approved medium such as television, radio,
 25 computer, Internet, multimedia telephone, and correspondence that is delivered
 26 inside or outside the classroom or in other teacher-student settings.

27 (2) A retired member who returns to active service as a full-time certified
 28 speech therapist, speech pathologist, or audiologist whose position of employment
 29 requires a valid Louisiana ancillary certificate approved and issued by the state
 30 Department of Education in a school district where a shortage exists.

31 (3) A retired member who returns to active service covered by the provisions
 32 of this ~~Chapter Part~~ on or before June 30, 2010.

33 (4) A retired member who returns to active service covered by the provisions
 34 of this ~~Chapter Part~~ who retired on or after May 1, 2009, and on or before June 30,
 35 2010, in a position requiring a valid Louisiana teaching certificate or a valid
 36 Louisiana ancillary certificate.

37 B.(1)(a) Any retired teacher who returns to active service covered by the
 38 provisions of this ~~Chapter Part~~ within the twelve-month period immediately
 39 following the effective date of such retirement shall have his retirement benefits
 40 suspended for the duration of such active service or the lapse of twelve months from
 41 the effective date of his retirement, whichever occurs first, even if such service is
 42 based on employment by contract or corporate contract.

43 * * *

44 (2) Any retired teacher who retires based on a disability shall not be
 45 authorized to return to service pursuant to the provisions of this Section. Disability
 46 retirees shall be covered by the provisions of this ~~Chapter Part~~ applicable to
 47 disability retirees.

48 C.(1) During the period of his return to active service, the retired teacher and
 49 his employer shall make contributions to the retirement system as provided by this
 50 ~~Chapter Part~~, but such teacher shall receive no additional service credit nor accrue
 51 any additional retirement benefits in the retirement system. Upon termination of
 52 such active service, the retired teacher shall, upon application, be refunded the
 53 employee contributions paid since reemployment. The refund shall be without
 54 interest. The retirement system shall retain the employer contributions.

55 * * *

56 D. When any retiree returns to active service with an employer covered by
 57 the provisions of this ~~Chapter Part~~, the employing agency shall, within thirty days
 58 thereafter, notify the board of trustees in writing of such employment, the date on
 59 which employment commenced, and a determination by the employer as to whether

1 such person is a "retired teacher" pursuant to Subsection A of this Section. Upon
2 termination, the agency shall provide the same notice. In addition, the employing
3 agency shall also report to the retirement system within forty-five days after June
4 thirtieth of each year, the name of all persons being paid by the employing agency,
5 their social security numbers, and the amount of their earnings during the previous
6 fiscal year ending on June thirtieth of the reporting year. Should failure to give
7 notice of return to active service result in any payment being made in violation of
8 this Section, the employing agency shall be liable to the system for the repayment
9 of such amounts.

10 * * *

11 §721.1. Option to participate in system plan

12 A. Notwithstanding any other provision of law to the contrary, the
13 superintendent of the Orleans or Jefferson Parish school system is not required to
14 participate in the Teachers' Retirement ~~System of Louisiana Plan~~; however, he shall
15 have the option of retaining membership in the ~~Teachers' Retirement System of~~
16 ~~Louisiana plan~~ if he is eligible, provided that his retirement benefit computation shall
17 be in accordance with the provisions of this ~~Chapter Part~~.

18 B. Notwithstanding the provisions of R.S. 11:701(33)(a) or any other
19 provision of law to the contrary, no director or individual staff member of the
20 Associated Professional Educators of Louisiana or the Louisiana Resource Center
21 for Educators shall be required to participate in the Teachers' Retirement ~~System of~~
22 ~~Louisiana Plan~~; however, such person shall have a one-time irrevocable option of
23 membership in the ~~Teachers' Retirement System of Louisiana plan~~ if he is eligible,
24 provided that his retirement benefit computation shall be in accordance with the
25 provisions of this ~~Chapter Part~~. Any employee who has retired from the ~~Teachers'~~
26 ~~Retirement System of Louisiana plan~~ shall be governed by all laws applicable to
27 retirees returning to work.

28 * * *

29 §723. Members employed in other state employment; exception

30 A.(1) Notwithstanding any enrollment error occurring prior to January 1,
31 1992, any person who is a member of the Teachers' Retirement ~~System of Louisiana~~
32 ~~Plan~~, who has creditable membership service of at least five years in this system plan
33 and who becomes employed in other state or public employment where he is no
34 longer eligible for membership in this system plan but is eligible for membership in
35 another statewide retirement system or plan, shall have the right to remain a member
36 of this system plan in lieu of membership in the other statewide retirement system
37 or plan by filing a notice, in writing, with the board of trustees within sixty days after
38 the effective date of employment. Such election shall be irrevocable.

39 (2) If a member is not informed of his right to remain a member of ~~the~~
40 ~~Teachers' Retirement System of Louisiana this plan~~, the system, upon satisfactory
41 proof, including a written verification by the member's new employer that he was not
42 properly informed of his right to retain membership in the system plan, may allow
43 such member to retain his membership in the Teachers' Retirement ~~System of~~
44 ~~Louisiana Plan~~. Any contributions due the Teachers' Retirement ~~System of~~
45 ~~Louisiana Plan~~ shall be accepted and processed only in accordance with the
46 provisions of R.S. 11:888.

47 * * *

48 §728. Prior service credit

49 A. Any member of the Teachers' Retirement ~~System of Louisiana Plan~~ may
50 receive credit for service as a teacher, as the term "teacher" is defined in R.S. 11:701,
51 and/or for service in any agency in Louisiana, provided he meets the requirements
52 set forth below, and provided the application for such purchase is received by the
53 Teachers' Retirement System of Louisiana prior to the date of retirement or the
54 beginning date of the Deferred Retirement Option Plan participation and the
55 purchase is finalized before the retirement or Deferred Retirement Option Plan
56 participation date:

57 * * *

58 B.(1)(a) Notwithstanding any other provisions of this ~~Chapter Part~~ or any
59 other provision of law, any member of the system plan shall be eligible to obtain

1 credit for teaching service rendered in the public school system of any other state or
 2 possession or territory of the United States if he satisfies all of the following criteria:

3 * * *

4 C.(1)(a) Notwithstanding any other provision of this ~~Chapter Part~~ or of any
 5 other law to the contrary, any person who is a member of this system plan shall be
 6 eligible to obtain credit in this system plan for teaching service rendered in any
 7 nonpublic college or university in Louisiana and/or state approved elementary or
 8 secondary nonpublic or parochial school in Louisiana.

9 (b)

10 * * *

11 (ii) In addition, if the member is eligible to retire at the time he establishes
 12 credit for such service, there shall be paid into the system plan an amount equal to
 13 the present value of the additional retirement benefit payable on account of his
 14 service in nonpublic or parochial schools or colleges should he retire at the time
 15 credit for such service is established.

16 (iii) If the member is not eligible to retire at the time he establishes credit for
 17 service in nonpublic or parochial schools or colleges, there shall be paid into the
 18 system plan an amount which, if invested at regular interest, would accumulate to an
 19 amount equal to the present value of the additional retirement benefit payable on
 20 account of his service in nonpublic or parochial schools or colleges should the
 21 member continue until the earliest date he is eligible to retire.

22 (2)(a) In determining the present value of the additional benefit payable on
 23 account of service in nonpublic or parochial schools or colleges and the amounts to
 24 be paid for credit for such service, regular interest, salary scales used to project
 25 future salary increases, and the tables of the system plan as adopted by the board of
 26 trustees shall be utilized.

27 * * *

28 E. Notwithstanding any other provision of law to the contrary, any person
 29 who is a member of this system plan and who has rendered service as a member of
 30 a school board shall be eligible to obtain creditable service in this system plan for
 31 service rendered as a member of a school board, for which he does not have credit
 32 in this or any other public retirement system or plan, excluding social security. In
 33 order to obtain such credit, the member shall make application to the board of
 34 trustees for such credit and shall furnish a detailed statement of all service for which
 35 credit is claimed in such form as the board may require. In addition, there shall be
 36 paid into the system plan a sum equal to the present value of the additional
 37 retirement benefit payable on account of his prior service should the member retire
 38 at the time credit for such service is established if he is eligible to retire at the time
 39 he establishes credit for the service, or an amount which, if invested at an interest
 40 rate as set by the board of trustees, would accumulate to an amount equal to the
 41 present value of the additional retirement benefit payable on account of his prior
 42 service should the member continue until the earliest date he is eligible to retire if he
 43 is not eligible to retire at the time he establishes credit for the service. Of this sum,
 44 the member shall pay an amount equal to the employee contributions which would
 45 have been paid during the period for which credit is claimed had this system plan
 46 been applicable to the service during the time for which credit is claimed, plus
 47 interest thereon, as set by the board of trustees, annually, from the date of service
 48 until paid, and the school board of which the member is a member may pay the
 49 difference. In the event that any school board opts to pay the difference between the
 50 present value of any additional retirement benefit payable and the amount to be paid
 51 by any member making such application as described above, the school board shall
 52 also pay the described amount for all persons who make similar application. If
 53 agreed to by the board of trustees, and under terms and conditions set by the board,
 54 the required payments may be paid in installments, but in any case, the payments
 55 shall be paid in full prior to the date of application for retirement.

56 F.(1) Notwithstanding any other provision of law to the contrary, any person
 57 who is a member of this system plan and who has taught the equivalent of
 58 kindergarten through high school classes at any United States dependent school shall
 59 be eligible to obtain credit in this system plan for such service rendered during that

1 period, for which credit has not otherwise been given. In order to obtain this credit,
2 the member shall make application therefor and furnish to the board of trustees a
3 detailed statement of all service for which credit is claimed, in such form as the
4 board may require. The board shall determine whether the facility at which such
5 classes were taught is a United States dependent school.

6 * * *

7 (3) In determining the present value of the additional benefit payable on
8 account of the purchase of such service and the amounts to be paid for such service,
9 regular interest, salary scales used to project future salary increases, and the tables
10 of the system plan as adopted by the board of trustees shall be employed. Amounts
11 paid to establish credit for such service shall be credited to the member's account in
12 the Annuity Savings Fund. Such contributions shall be paid in one lump sum prior
13 to the date of application for retirement.

14 * * *

15 §733. Transfers of out-of-state service

16 A. Any member of this system plan who has service credit in a public
17 retirement system of another state which was granted based on teaching service in
18 that state in its public school system shall be allowed to transfer such regular service
19 credit to this system plan in accordance with this Section.

20 B. The out-of-state public retirement system must agree and pay to this
21 system plan all employee and employer contributions and other funds in its
22 possession which are held for the member's account to this system plan.

23 C. In the event that the amount of funds transferred is less than the increase
24 in the actuarial present value of benefits, computed using the actuarial assumptions
25 used in the most recent actuarial valuation of this system plan, created by the transfer
26 of the additional service credit, the member transferring the service credit, except as
27 provided for herein, shall pay the difference.

28 D. In lieu of paying the difference the member may, at his option, but only
29 at the time of the transfer of the funds, be granted an amount of service credit in this
30 system plan which is based on the amount of funds actually received by this system
31 plan for the transfer.

32 E. In order for such a transfer to be effective the system from which the
33 funds are transferred must certify under oath that the member will no longer have
34 any regular service credit remaining in that system.

35 §734. Teaching credit based on legislative service

36 Notwithstanding any other provision of law to the contrary, any member of
37 the legislature who is not employed as a teacher but is a member of this system plan
38 by virtue of having been so employed, may, at his option, contribute to the system
39 plan the percentage set by R.S. ~~11:62(H)(e)~~ 11:62(11)(a)(iii) of his legislative salary
40 and expense allowance, plus the four percent that he contributes as a member of the
41 legislature in accordance with R.S. 24:36. If he elects to so contribute, the house of
42 the legislature of which he is a member shall contribute to the system a percentage
43 of his legislative salary and expense allowance which is equal to the employer
44 contribution rate for the Teachers' Retirement System Plan. If he elects to so
45 contribute, he shall receive credit in the system plan for one year of teaching service
46 for each year of legislative service rendered. Upon the member paying the employee
47 contributions to the system plan which he could have paid if this Section had been
48 in effect, plus interest at the plan's board-approved actuarial valuation rate thereon
49 from the date of service until paid, the provisions of this Section shall be applicable
50 with respect to legislative service rendered prior to October 1, 1976. If the member
51 elects to contribute to such prior service, the appropriate house of the legislature
52 shall contribute to the system the employer contributions which would have been
53 paid if this Section had been in effect and the member had elected to contribute the
54 employee contributions, plus interest at the plan's board-approved actuarial valuation
55 rate thereon from date of service until paid.

56 * * *

57 §738. Regaining of membership by retirees

58 A. Regardless of age, if a retiree of this system plan is engaged or hereafter
59 engages in employment that otherwise would render him eligible for membership in

1 this ~~system plan~~, he may regain membership in this ~~system plan~~ at his option upon
 2 returning all retirement benefits received from this ~~system plan~~, plus compound
 3 interest per annum at the plan's board-approved actuarial valuation rate thereon from
 4 date of receipt until paid. In addition, he shall pay into the ~~system plan~~ an amount
 5 equal to the employee and employer contributions that would have been paid had he
 6 become a member at the commencement of the resumption of covered employment,
 7 plus compound interest per annum at the plan's board-approved actuarial valuation
 8 rate thereon from date of service until paid.

9 B. Upon such regaining of membership, he shall receive service credit for
 10 all service rendered since becoming so reemployed and thereafter shall be subject to
 11 the same conditions as are other members of the ~~system plan~~ that are not in conflict
 12 herewith.

13 * * *

14 §752. Conversion of sick leave to membership service

15 A. When a member retires or dies while still a member and before retirement
 16 leaving a surviving spouse or dependent or both who are entitled to benefits under
 17 this ~~Chapter Part~~ his unused accumulated sick leave shall be added to his
 18 membership service. The additional membership service set forth in this Section
 19 shall not be included in the service on which average final compensation is
 20 determined.

21 B. For the purpose of determining the amount of unused sick leave to be
 22 added to the member's membership service only, the retirement system shall
 23 determine the amount of sick leave earned, but for ~~retirement system plan~~ purposes
 24 only, on the following basis. Nine-month employees earn ten days per year and
 25 ten-month employees earn eleven days per year. If the nine-month or ten-month
 26 employee works extra during the summer he will receive one day or a portion thereof
 27 for each month or portion thereof that he works. Eleven-month and twelve-month
 28 employees earn twelve days per year during the first three years, fifteen days per
 29 year for the next seven years, and eighteen days per year for each year over ten years.
 30 The system shall deduct the actual days of sick leave used by the member from the
 31 amount of sick leave earned for retirement purposes. Sick leave last earned shall be
 32 used first. The balance of unused sick leave for retirement purposes shall be added
 33 to his membership service on the basis of the conversion tables in Subsections C and
 34 D of this Section.

35 * * *

36 E. All unused sick leave credit days earned under Subsections B and D of
 37 this Section which are convertible under Subsection D of this Section and which are
 38 earned after June 30, 1990, and which are in excess of an amount which would
 39 convert to one year of service credit may only be added to the member's membership
 40 service if purchased and paid as provided in this Subsection. In order to purchase the
 41 unused sick leave as service credit the member shall pay to the retirement ~~system~~
 42 plan an amount which, on an actuarial basis, totally offsets the increase in accrued
 43 liability of the ~~system plan~~ resulting from the receipt of the credit. The amount
 44 payable shall be calculated by use of the actuarial funding method, assumptions, and
 45 tables in use by the ~~system plan~~ at the time of purchase. Any leave purchased under
 46 this Section cannot be used to attain eligibility for any benefits and cannot be used
 47 in the computation of average compensation. The employer institution, in its
 48 discretion, may pay not more than fifty percent of the purchase price. However, if
 49 it makes such a payment, it shall then make such payment, in the same percentage,
 50 with respect to all employees who make application.

51 §753. Student employment service credit

52 A. No person shall receive credit in the Teachers' Retirement ~~System of~~
 53 Louisiana Plan for student aid or student employment in a college or university or
 54 for other part-time employment of a similar kind or nature. In all cases of doubt, the
 55 board of trustees shall determine whether service is creditable within the scope of
 56 this Section or within the definitions set forth in R.S. 11:701(22) and (23).

57 B. Notwithstanding any provision of law to the contrary, any person who is
 58 a member of the Teachers' Retirement ~~System of Louisiana Plan~~ who on August 21,
 59 1992, has creditable membership service of at least ten years in this ~~system plan~~ and

1 who through an administrative error was improperly enrolled in the Teachers'
2 Retirement ~~System of Louisiana Plan~~ as a graduate assistant and who currently has
3 such credit in the Teachers' Retirement ~~System of Louisiana Plan~~ shall be allowed
4 to keep such service credit in the system plan.

5 * * *

6 §755. Service on sabbatical leave as active service

7 A. Members of the system plan who are granted a sabbatical leave with pay
8 by their employer shall have all of the rights and privileges pertaining to their
9 membership in the ~~retirement system plan~~ as if they had remained in active service.
10 Sabbatical leave shall count as active service for purposes of retirement and
11 employee and employer contributions to the ~~retirement system plan~~ shall be
12 continued.

13 B. However, a member shall not be allowed credit in the ~~retirement system~~
14 plan for more than one-half year of sabbatical leave for every three years of
15 creditable service in the ~~retirement system plan~~.

16 §761. Retirement benefits; application; eligibility requirements; effective date;
17 cancellation; errors and omissions

18 * * *

19 B. Notwithstanding the provisions of Subsection A of this Section, in the
20 event a member of this system plan files a properly executed application for regular
21 retirement with his employer which is a reporting agency and thereafter terminates
22 his employment with said employer and through error the application is not promptly
23 sent to this retirement system, upon receipt of the application by this system the
24 board of trustees is hereby authorized upon satisfactory proof to it, to pay the
25 retirement benefit based on an effective date of retirement not more than ninety days
26 prior to the actual receipt of the application for retirement in the office of the system,
27 but in no event prior to the date of termination of employment.

28 §762. Survivor benefits

29 A. Survivor benefits shall be due and payable by the system plan effective
30 the first day of the next month following the death of the member, but shall not be
31 paid until a properly completed and acceptable application is received by the system
32 and all proper certifications have been received by the system.

33 * * *

34 C. For the benefit of the surviving minor children of a member there shall
35 be paid, for each minor child, subject to a maximum of two children, per month fifty
36 percent of the benefit to which a spouse would be entitled under Subsection B of this
37 Section. Benefits shall be payable to such children even where no spouse eligible
38 for survivor benefits is present, provided the member had at least five years of
39 service credit. Benefits for a child shall cease when the child is no longer a minor
40 child as defined by this ~~Chapter Part~~. No surviving minor child shall receive more
41 than one survivor's benefit at any one time. If two benefits are applicable, only the
42 larger shall be paid.

43 * * *

44 G. Payment of accumulated contributions shall be made only upon receipt
45 of the deceased member's death certificate. Said payment to the named beneficiary
46 or the estate cancels all liability of the system and the plan to the deceased member,
47 his named beneficiary or his estate.

48 * * *

49 §765. Withdrawal from service after five years; retirement at age sixty

50 A. Any member who has credit for five or more years of service may
51 withdraw from service and elect to leave his accumulated contributions in the system
52 plan and, upon reaching age sixty, he shall receive a retirement allowance based on
53 the credits he had at the time of his withdrawal from service.

54 B.(1) The retirement allowance under this Section shall be due and payable
55 by the system plan effective the first day of the month following the attainment of
56 age sixty, but shall not be paid until a written application for retirement is executed
57 and filed with the system.

58 * * *

59 §768. Retirement allowances

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59

* * *

D.

* * *

(2) With respect to each member of this system plan who has successfully completed at least three years of one program as defined in R.S. 17:3602(5), average earnable compensation shall specifically include compensation received pursuant to R.S. 17:3601 et seq. as follows: if the member has completed at least three years, sixty percent of such earnings shall be included; after completion of four years, the factor shall be eighty percent; and after completion of five years, the factor shall be one hundred percent; however, if the member has completed at least two years and subsequently becomes disabled, he shall receive forty percent of such earnings, and if the member has completed at least one year and becomes disabled, he shall receive twenty percent of such earnings. The provisions of this Paragraph shall be retroactive to May 1, 1983. Any person who has retired from this system plan shall be entitled to have his benefits recomputed pursuant to the provisions of this Paragraph; however, in order to include compensation received pursuant to R.S. 17:3601 et seq. in average compensation for computation of disability retirement purposes only or for recomputation of such, all employee and employer contributions on such earnings shall be paid to the system plan.

(3) With respect to each member of this system plan who successfully completes the educational requirements for the fifth year of his program as defined in R.S. 17:3602(5), average earnable compensation shall specifically include all compensation received pursuant to R.S. 17:3601 et seq. but only if the member pays the employee and employer contributions that would have been paid if he had continued to work for the entire fifth year of his program plus he shall pay a percentage of interest on the contributions for each month prior to the end of the fifth year of his program. The interest plus any other amount shall be determined by the actuary for the system plan and shall be computed to preclude any actuarial cost to the system plan. The amount to be paid by the member shall also be approved by the legislative auditor.

* * *

§780. Reexamination of beneficiaries retired for disability; modification of benefits; restoration to active service

* * *

C.

* * *

(3)(a) If, pursuant to the provisions of this Subsection, the board of trustees reduces the pension of any disability beneficiary of this system plan who retired pursuant to a reciprocal agreement between this system plan and any other state or statewide public retirement system or plan, the reduction shall be subject to Subparagraph (b) of this Paragraph, provided the beneficiary satisfies all of the following provisions of this Subparagraph:

* * *

E. If any disability beneficiary of this plan is restored to active service, his retirement allowance shall cease, he shall again become a member of the retirement system plan, and he shall contribute thereafter at the current rate in effect at the time he is restored to service, and if he contributes for at least three years, the period of time on disability shall be counted as accredited service for purposes of establishing retirement eligibility, but not for computation of benefits. Any prior service certificate on the basis of which his service was computed at the time of his retirement shall be restored to full force and effect and, in addition, upon his subsequent retirement he shall be credited with all his service as a member.

§780.1. Employment; termination of benefits
If a disability retiree from the Teachers' Retirement ~~System of Louisiana~~ Plan becomes employed in any employment in the field of education, whether public or private, his disability benefit shall terminate.

§781. Refund of contributions
A.(1) If a member ceases to be a teacher prior to participation in the Deferred Retirement Option Plan, except by death or retirement, under the provisions of this

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

Chapter Part or as provided in R.S. 11:765 and 766, he shall be paid the total amount of the accumulated contributions standing to the credit of his individual account in the annuity savings fund, after proper request and certification, plus any accrued interest thereon as of June 30, 1971; however, if such member is a member of the legislature, he shall be paid the total amount of the accumulated contributions standing to the credit of his individual account in the annuity savings fund, after proper request and certification, but he shall receive no interest thereon.

* * *

(3)

* * *

(b) The payment and acceptance of any such refund to a member of the ~~retirement system plan~~ who has withdrawn from service, or the payment and acceptance of any such refund to the member's designated beneficiary, if any, or the succession of a deceased member shall discharge all obligations of the retirement system on account of any creditable service rendered by the member prior to payment of the refund, and shall constitute a release of all accrued rights of every kind and nature against the retirement system.

* * *

B. Any member whose employment is terminated as ~~an employee~~ a teacher as defined in R.S. ~~11:701(23)~~ 11:701(33), and due to such termination applies to withdraw the accumulated contributions standing to his account, shall not be entitled to receive a refund of said funds if he has been employed again by an employer as ~~an employee~~ a teacher defined in R.S. ~~11:701(23)~~ 11:701(33) prior to the processing of his refund request by the retirement system. Such a member shall be considered as being an active member of the ~~retirement system plan~~ and shall not be entitled to withdraw his accumulated contributions.

* * *

§783. Selection of option for method of payment after death of member

A.

* * *

(3) Initial Lump-Sum Benefit. (a) If a member has not participated in the Deferred Retirement Option Plan provided by the provisions of this ~~Chapter Part~~, he shall be eligible to select an initial lump-sum benefit. The initial lump-sum benefit shall be available to any member of the ~~system plan~~ whose first employment making him eligible for membership in one of the state retirement systems occurred on or before December 31, 2010, and who has thirty years of creditable service, or is age fifty-five and has twenty-five years of creditable service, or is age sixty and has ten years of creditable service. Any member of the ~~system plan~~ whose first employment making him eligible for membership in one of the state retirement systems occurred on or after January 1, 2011, may select the initial lump-sum benefit if he is age sixty and has five years of service. If the maximum benefit, Option 2, 2A, 3, 3A, 4, or 4A above is chosen, then the member may further elect to receive a reduced retirement allowance plus an initial benefit. The creditable service referenced in this Paragraph shall not include unused accumulated sick leave and unused accumulated annual leave.

* * *

D.(1)

* * *

(b)

* * *

(iii) The retiree shall be required to reimburse the ~~system plan~~, by way of a one-time deduction from the retiree's next benefit check, the reasonable costs incurred by the system to calculate any change in the retiree's benefits made pursuant to the provisions of this Paragraph.

(2) The retiree shall be required to contractually hold the system and plan harmless in the event that the former spouse ever successfully asserts a property right relative to the provisions of this Subsection which has any adverse effect upon the system or plan.

* * *

1 E. If an option of Subsection A hereof was selected, and the retiree's spouse
 2 was designated as the beneficiary, and the retiree's benefit was further actuarially
 3 reduced to allow the retiree's benefit to be increased in the event that the spouse
 4 predeceased the retiree, and the marriage between the retiree and the beneficiary is
 5 invalid, the benefits payable to the retiree shall be increased to the amount the retiree
 6 would have received had the retiree selected the maximum benefit. The retiree shall
 7 be required to contractually hold the system and plan harmless in the event that the
 8 former beneficiary ever successfully asserts a property right in the pension benefit
 9 or rights which has any adverse effect upon the system or plan. It shall be the
 10 responsibility of the retiree to notify the system of these circumstances, to present
 11 satisfactory evidence of same, and to request the recomputation of benefits.
 12 Adjustment of benefits under this Subsection shall not be retroactive, and shall be
 13 effective on the first day of the next month following official approval of the
 14 application for recomputation of benefits. Subject to appropriate actuarial reduction
 15 of benefits, the retiree may, at the time of application for recomputation, also
 16 designate a new beneficiary.

17 F. Any adjustments to benefits for cost-of-living adjustments or permanent
 18 benefit increases made by formal action of the board of trustees in accordance with
 19 Subsection C of this Section shall be considered amendments to the provisions of the
 20 ~~retirement system plan~~. If made by formal action of the board of trustees, such
 21 changes must be disclosed to members of the ~~retirement system plan~~.

22 G.(1)

23 * * *

24 (b)

25 * * *

26 (iii) The retiree shall be required to reimburse the ~~system plan~~, by way of a
 27 one-time deduction from the retiree's next benefit check, the reasonable costs
 28 incurred by the ~~system plan~~ to calculate any change in the retiree's benefits made
 29 pursuant to the provisions of this Paragraph and those reasonable expenses incurred
 30 under the provisions of this Section by the State Medical Disability Board.

31 * * *

32 I.(1)

33 * * *

34 (b)

35 * * *

36 (iii) The retiree shall be required to reimburse the ~~system plan~~, by way of a
 37 one-time deduction from the retiree's next benefit check, the reasonable costs
 38 incurred by the ~~system plan~~ to calculate any change in the retiree's benefits made
 39 pursuant to the provisions of this Paragraph and those reasonable expenses incurred
 40 under the provisions of this Section by the State Medical Disability Board.

41 * * *

42 K.

43 * * *

44 (2) However, in those cases when a trust has been created under Louisiana
 45 law by the deceased member for the benefit of the child, the terms of the instrument
 46 creating the trust so provide, and the system has been provided with a certified copy
 47 of the trust document, then the optional benefit shall be paid to the trust under the
 48 terms of the trust for addition to the trust property. In the event that the trust is
 49 contested by any party, the Teachers' Retirement System of Louisiana shall withhold
 50 all optional benefit payments or deposit them in the registry of the court if a
 51 concursus proceeding is filed, until there is a final binding legal agreement or
 52 judgment regarding the proper payment of the optional benefit. Any payments made
 53 to an optional beneficiary or trust shall constitute a release of all accrued rights of
 54 every kind and nature against the retirement system or plan, including but not limited
 55 to any rights of a spouse or former spouse, or an heir or legatee of a spouse or former
 56 spouse.

57 §784. Payment of benefits

58 * * *

1 F. Payment in accordance with the options of ~~R.S. 11:762~~ or of this ~~Subpart~~
2 ~~A of Part IV, Chapter 2 of Subtitle H~~ Division, shall be deemed not to violate
3 Subsections B and C of this Section.

4 G.(1) This Section shall be effective for members of the system who
5 complete any service under the system on or after July 1, 1988, and prior to June 30,
6 2012, with employers contributing to the system.

7 (2) This Section shall be effective for members of the plan who complete any
8 service under the plan on or after June 30, 2012, with employers contributing to the
9 plan.

10 §784.1. Maximum benefits

11 A.(1) Notwithstanding any other provision of this ~~system plan~~ to the
12 contrary, no member shall receive a benefit in any year in excess of the sum of the
13 maximum employer-financed benefit and the member-financed benefit.

14 * * *

15 B.

16 * * *

17 (2)

18 * * *

19 (b) The annual adjusted limit, set forth in Subparagraph (a) of this Paragraph,
20 is effective as of January first of each calendar year and is applicable to benefits
21 commencing during that calendar year. As a result of a cost-of-living increase, a
22 benefit that had been limited by the provisions of this Section in a previous year may
23 be increased with respect to future payments to the lesser of the new limit or the
24 amount of benefit that would have been payable from this ~~system plan~~ without
25 regard to the provisions of this Section.

26 * * *

27 C. An annual benefit may be paid to any member in excess of the limit
28 otherwise allowed in Paragraph A(1) of this Section if the annual benefit derived
29 from the employer contributions under this and all other qualified plans of the
30 employer subject to the limitations of Section 415(b) of the United States Internal
31 Revenue Code does not, in the aggregate, exceed ten thousand dollars for the plan
32 year, or for any prior year, and the member has not at any time participated in a
33 defined contribution plan maintained by the employer. For purposes of this
34 Subsection, a member's own contributions to the ~~system plan~~ are not considered a
35 separate defined contribution plan maintained by the employer.

36 D.(1) If a member is or has been a participant in one or more defined
37 contribution plans maintained by the employer, the sum of the member's
38 contributions paid to this ~~system plan~~ and any other qualified defined benefit plans
39 of the employer and the annual additions under such defined contribution plan or
40 plans may not exceed the lesser of twenty-five percent of the member's earned
41 compensation or thirty thousand dollars, as adjusted by the United States Secretary
42 of the Treasury.

43 (2) The sum of the "defined benefit plan fraction" and the "defined
44 contribution plan fraction", as those terms are defined in Section 415 of the United
45 States Internal Revenue Code, for any plan year in which Section 415 of the United
46 States Internal Revenue Code is in effect, may not exceed one, 1.0, for any calendar
47 year in which the limits of Section 415(d) of the United States Internal Revenue
48 Code are in effect and enforced by the United States Internal Revenue Service. If the
49 sum of the defined benefit plan fraction and the defined contribution plan fraction
50 exceeds one, 1.0, in any such year for any member, or if the benefits under this plan
51 and one or more other defined benefit plans of the employer would otherwise exceed
52 the maximum employer-financed benefit, and the administrator of the other plan or
53 plans does not reduce the contributions or benefits under such other plan, the
54 employer-financed benefit payable by this ~~system plan~~ shall be reduced to the extent
55 necessary to ensure that the limitations provided in Section 415 of the United States
56 Internal Revenue Code are met.

57 E.(1) If the United States Congress or the United States Internal Revenue
58 Service, or both, later cause to be amended, any laws, regulations, or other guidelines
59 pertaining to Section 415 of the United States Internal Revenue Code in order to

1 permit higher service retirement benefits, then, for any retired member who had
2 previously had a benefit reduced because it exceeded the limits set forth in this
3 Section, the board shall recalculate the retired member's benefit to be the smaller of
4 either:

5 (a) The unreduced benefit based on this ~~system's~~ plan's service retirement
6 benefit formula in effect on the date the member retired.

7 (b) The maximum permissible benefit calculated under such amended laws
8 or regulations.

9 (2) If a retroactive change is permissible, the board shall pay the retired
10 member in a single payment an amount equal to the difference between the adjusted
11 higher monthly benefit and the reduced benefit for the number of months the
12 member has received the reduced benefit. However, no member shall receive any
13 benefit under this Section to the extent that he has received a distribution with
14 respect to such benefit from an excess benefit plan as set forth in Subpart I of this
15 Part IX of this Chapter.

16 * * *

17 §786. Deferred Retirement Option Plan

18 A.(1) In lieu of terminating employment and accepting a retirement
19 allowance, any member of this ~~system~~ plan whose first employment making him
20 eligible for membership in one of the state retirement systems occurred on or before
21 December 31, 2010, and who is not covered by R.S. 11:801 and who has thirty years
22 of service credit at any age, twenty-five years of service credit and is at least age
23 fifty-five, or has twenty years of service credit exclusive of military service and is
24 at least age sixty-five may elect to participate in the Deferred Retirement Option
25 Plan. A member with ten years of service credit exclusive of military service and
26 who is at least age sixty may elect to participate in the plan, but all benefits payable
27 at any time shall only be calculated using a two percent benefit formula.

28 (2) Any member of this ~~system~~ plan whose first employment making him
29 eligible for membership in one of the state retirement systems occurred on or after
30 January 1, 2011, and who is not covered by R.S. 11:801 and who has five years of
31 service credit and is at least age sixty may elect to participate in the Deferred
32 Retirement Option Plan.

33 (3) Any member of this ~~system~~ plan who is covered by the provisions of R.S.
34 11:801 who has thirty years of service credit and is at least age fifty-five or has ten
35 years of service credit and is at least age sixty may elect to participate in the
36 Deferred Retirement Option Plan.

37 * * *

38 D. Any member of this ~~system~~ plan who meets one of the eligibility
39 requirements of Subsection A of this Section by January 1, 1994, may choose a
40 participation period under Subsection B of this Section; however, if such member
41 does not choose to participate under Subsection B of this Section or is beyond the
42 participation period limits of Subsection B of this Section, he shall be allowed a
43 participation period not to exceed two years, but interest shall not be credited to such
44 participant's subaccount during such period of participation.

45 * * *

46 §788. Deferred Retirement Option Plan Account

47 A. The system shall establish a Deferred Retirement Option Plan Account
48 which shall be a part of the ~~system~~ plan fund. This account shall not be subject to
49 any fees, costs, or expenses of any kind.

50 * * *

51 C. Interest shall not be credited to a participant's subaccount during the
52 period of participation. With respect to any individual who was eligible to
53 participate in the Deferred Retirement Option Plan prior to January 1, 2004, all
54 amounts which remain credited to the individual's subaccount after termination of
55 participation in the plan shall be credited with interest after the end of each fiscal
56 year at a rate equal to the realized return on the ~~system's~~ plan's portfolio for that
57 fiscal year as certified by the ~~system~~ plan actuary in his actuarial report, less one-half
58 of one percent. With respect to any individual who becomes eligible to participate
59 in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts

1 which remain credited to the individual's subaccount after termination of
2 participation in the plan shall be placed in liquid asset money market investments at
3 the discretion of the board of trustees. Such subaccounts may be credited with
4 interest at the actual rate of return earned on such subaccount investments less one-
5 fourth of one percent per annum; or at the option of the system, the funds may be
6 credited to subaccounts as herein established:

7 * * *

8 (3) The participant in the self-directed portion of this plan agrees that the
9 benefits payable to the participant are not the obligations of the state, the Teachers'
10 Retirement Plan, or the system, and that any returns and other rights of the plan are
11 the sole liability and responsibility of the participant and the designated provider to
12 which contributions have been made. Furthermore, each participant, in accordance
13 with this provision, shall expressly waive his rights as set forth in Article X, Section
14 29(A) and (B) of the Louisiana Constitution as it relates to his subaccount in the self-
15 directed portion of the plan. By participating in the self-directed portion of the plan,
16 the participant agrees that he and the provider shall be responsible for complying
17 with all applicable provisions of the Internal Revenue Code. The participant also
18 agrees that if any violation of the Internal Revenue Code occurs as a result of the
19 participant's participation in the self-directed portion of the plan, it shall be the sole
20 responsibility and liability of the participant and the provider, not the state, the
21 Teachers' Retirement Plan, or the system. There shall be no liability on the part of
22 and no cause of action of any nature shall arise against the state, the Teachers'
23 Retirement Plan, the system, or its agents or employees, for any action taken by the
24 participant for choices the participant makes in relationship to the funds in which he
25 chooses to place his subaccount balance.

26 * * *

27 §811. Transferees from Plan A of the School Lunch Employees' Retirement System;
28 termination of Social Security coverage prior to July 1, 1985

29 A. Any member of the Teachers' Retirement ~~System of Louisiana~~ Plan who
30 is paid from school food service funds and who is transferred from Plan A of the
31 School Lunch Employees' Retirement System on July 1, 1983, and any member who
32 is governed by the provisions of R.S. 11:801 whose employer has withdrawn and
33 terminated its employees from Social Security coverage prior to July 1, 1985, shall
34 be governed by the provisions of this Section.

35 B. Each member of the ~~system~~ Teachers' Retirement Plan who is included
36 in Subsection A of this Section shall contribute an amount equal to nine and
37 one-tenth percent of his earnable compensation to the ~~retirement system~~ plan as the
38 employee contribution and each employer of a member who is included in
39 Subsection A of this Section shall contribute an amount equal to five and eighty-five
40 one hundredths percent of each and every member's earnable compensation, and the
41 state of Louisiana shall annually appropriate an amount equal to four and six-tenths
42 percent of each and every member's earnable compensation, such annual
43 appropriation to be paid to the ~~system~~ plan through the state treasurer's office in
44 twelve equal installments beginning on July first and ending on June first of each
45 fiscal year. Should the amount appropriated be less than the amount required, the
46 state shall pay the difference to the ~~system~~ plan. Should the amount appropriated be
47 more than the amount required, the ~~system~~ plan shall return the excess to the office
48 of the state treasurer.

49 C. Each member of the ~~system~~ plan who is included in Subsection A of this
50 Section shall be governed by all of the laws, policies, rules and regulations which
51 govern the Teachers' Retirement ~~System of Louisiana~~ Plan except when they are in
52 conflict with the specific provisions of this Section and in which case the specific
53 provisions of this Section shall govern.

54 * * *

55 §813. Appropriations for members not otherwise covered

56 For each member of the Teachers' Retirement ~~System of Louisiana~~ Plan who
57 is paid from school food service funds and who is not covered by the provisions of
58 R.S. 11:801 through 811, the legislature shall annually appropriate an amount equal
59 to three and forty-five one-hundredths percent of each and every such member's

1 earnable compensation, such annual appropriation to be paid to the ~~system plan~~
2 through the state treasurer's office in twelve equal installments beginning on July
3 first and ending on June first of each fiscal year. Should the amount appropriated be
4 less than the amount required, the legislature shall appropriate the difference to the
5 ~~system plan~~. Should the amount appropriated be more than the amount required, the
6 ~~system plan~~ shall return the excess to the office of the state treasurer.

7 * * *

8 §822. Members of board of trustees; appointment or election; terms of office;
9 vacancies; compensation

10 A. The board shall consist of such trustees as follows:

11 * * *

12 (10) One member from each of the following districts to represent the
13 members of the Louisiana School Employees' Retirement Plan. Each member shall
14 be a resident of the district he represents and shall be elected for a four-year term by
15 a majority of the members in the district who vote in the election:

16 (a) District 1: Assumption, Iberia, Iberville, Jefferson, Lafayette, Lafourche,
17 Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St.
18 Martin, St. Mary, and Terrebonne.

19 (b) District 2: Ascension, East Baton Rouge, East Feliciana, Livingston, St.
20 Helena, St. Tammany, Tangipahoa, Washington, West Baton Rouge, and West
21 Feliciana.

22 (c) District 3: Bienville, Bossier, Caddo, Caldwell, Catahoula, Claiborne,
23 Concordia, East Carroll, Franklin, Jackson, Lincoln, Madison, Morehouse, Ouachita,
24 Richland, Tensas, Union, Webster, and West Carroll.

25 (d) District 4: Acadia, Allen, Avoyelles, Beauregard, Calcasieu, Cameron,
26 Desoto, Evangeline, Grant, Jefferson Davis, LaSalle, Natchitoches, Pointe Coupee,
27 Rapides, Red River, Sabine, St. Landry, Vermilion, Vernon, and Winn.

28 * * *

29 §826. Rules and regulations

30 Subject to the limitations of this ~~Part Subpart~~ the board of trustees shall, from
31 time to time, establish rules and regulations for the administration of the funds
32 created and maintained by this ~~Part Chapter~~ and for the transaction of its business.
33 The board shall prepare and submit to the Joint Legislative Committee on the Budget
34 an annual budget for estimated costs of operating the system for each succeeding
35 fiscal year. This budget shall be subject to approval by the Joint Legislative
36 Committee on the Budget.

37 * * *

38 §829. Deduction of employee benefit contributions from retiree checks

39 Notwithstanding any other provision of law to the contrary, the ~~retiree~~
40 contributions for retired members of the Teachers' Retirement Plan for accident and
41 health and life insurance coverage to be paid by any retiree, beneficiary, or survivor
42 participating in a group insurance plan who receives a recurring benefit payment
43 from this ~~system plan~~ may be deducted from the benefit payment if the deduction is
44 made for all retirees and their survivors from that agency. Such deduction shall only
45 be effected by the use of magnetic media prepared and furnished by the participating
46 city or parish school board or other reporting agency not participating in the Office
47 of Group Benefits programs in a form processible by the retirement system's
48 computer facility and approved by the board of trustees. The retirement system shall
49 remit such deductions directly to the participating agency in periodic lump sums.
50 Such deductions may be made only after approval by the board of trustees of the
51 Teachers' Retirement System of Louisiana and only when the system has adequate
52 facilities and staff to make the deductions and only if no additional costs are imposed
53 upon the retirement system.

54 * * *

55 §832. Records and other information; board's duty to keep

56 A. The board of trustees shall keep in convenient form such data as shall be
57 necessary for actuarial valuation of the various ~~funds plans~~ of the retirement system,
58 and for checking the experience of the ~~system plans~~.

1 B. The board of trustees shall keep a record of all of its proceedings which
 2 shall be open to public inspection. It shall publish annually a report showing the
 3 fiscal transactions of the retirement ~~system plans provided for in this Chapter~~ for the
 4 preceding school year, the amount of the accumulated cash and securities of the
 5 ~~system plans~~, and the last balance sheet showing the financial condition of the
 6 ~~system plans~~ by means of an actuarial valuation of the assets and liabilities of ~~the~~
 7 ~~retirement system each plan~~.

8 §833. Medical board; appointment; duties and powers

9 The board of trustees shall designate a medical board to be composed of three
 10 physicians not eligible to participate in ~~the retirement system any plan administered~~
 11 ~~by the Teachers' Retirement System of Louisiana~~. If required, other physicians may
 12 be employed to report on special cases. The medical board shall arrange for and pass
 13 upon all medical examinations required under the provisions of this Chapter, and
 14 shall investigate all essential statements and certificates by or on behalf of a member
 15 in connection with an application for disability retirement, and shall report in writing
 16 to the board of trustees its conclusion and recommendations upon all the matters
 17 referred to it.

18 §834. Actuary; appointment; duties and powers; assets; fiduciary responsibility of
 19 trustees; portfolio control manager; actuarial assumptions

20 A.(1) The board of trustees shall designate an actuary for each retirement
 21 plan provided for in this Chapter. The actuary ~~who~~ shall be the technical adviser of
 22 the board of trustees on matters regarding the operation of ~~the~~ his respective funds
 23 created by the provisions of this Chapter, and shall perform such other duties as are
 24 required in connection therewith.

25 (2) In the year ~~nineteen hundred thirty-eight~~ 2012, and at least once in each
 26 five-year period thereafter, ~~the each~~ actuary shall make an actuarial investigation into
 27 the mortality, service, and compensation experience of the members and
 28 beneficiaries of ~~the retirement system~~ his respective plan, and shall make a valuation
 29 of the assets and liabilities of the funds of the ~~system plan~~, and taking into account
 30 the result of such investigation and valuation, the board of trustees shall:

31 (a) Adopt for the retirement ~~system plan~~ such mortality, service, and other
 32 tables as shall be deemed necessary.

33 (b) Certify the rates of contribution payable by the state of Louisiana on
 34 account of new entrants at various ages.

35 (3) On the basis of such tables as the board of trustees shall adopt, the
 36 actuary for each plan shall make an annual valuation of the assets and liabilities of
 37 the funds of ~~the system~~ his respective plan created by this ~~Part~~ Chapter.

38 (4) Any new tables and interest assumptions adopted in accordance with
 39 Subparagraph (2)(a) ~~above of this Subsection~~ shall only be applicable with respect
 40 to persons who are members on the date of adoption. Tables in effect on the date of
 41 retirement shall remain applicable with respect to persons who retire prior to the
 42 adoption of new tables.

43 B. The assets of ~~this system~~ each plan shall be held separately in trust by the
 44 board of trustees, which board shall have exclusive authority and discretion to
 45 manage and control ~~such each pool of~~ assets. The assets of ~~the system~~ each plan
 46 shall be held for the exclusive purpose of providing benefits to members of ~~the~~
 47 ~~system~~ the respective plan and their beneficiaries and defraying reasonable expenses
 48 of administering ~~the system~~ such plan.

49 C. The board of trustees may employ or appoint a portfolio control ~~manager~~
 50 ~~managers~~ as an employee employees, at its own cost and expense without the
 51 approval of the governor.

52 D.(1) Unless different actuarial assumptions are formally adopted and
 53 disclosed, as provided herein, the following assumptions shall determine the
 54 actuarial equivalents as used in ~~this~~ each retirement ~~system~~ plan provided for in ~~this~~
 55 Chapter:

56 (a) Interest shall be compounded annually at the rate of seven percent per
 57 annum.

58 (b) Annuity rates shall be determined on the basis of the 1971 Group
 59 Annuity Mortality Tables.

1 (2) The board of trustees may authorize the use of interest and mortality rates
2 in determining the actuarial equivalents which are different from the actuarial
3 assumptions used for other purposes hereunder. Any change in such actuarial
4 assumptions for a plan shall be considered a part of ~~this the retirement system plan~~
5 and shall be considered an amendment to the provisions of this Section. In order to
6 be effective, such change must be formally adopted by the board of trustees and
7 disclosed to members of the retirement system.

8 * * *

9 §836. Amendment

10 A. The provisions of the retirement system established by R.S. 11:702 may
11 be amended by action of the legislature in the same manner as any other statute may
12 be amended by the legislature. In addition, action of the board with respect to the
13 payment of cost-of-living adjustments, as provided in R.S. 11:771, 774, ~~and 775, and~~
14 1145; with respect to the payment of employee contributions, as provided in R.S.
15 11:872 or ~~R.S. 11:154~~; and with respect to actuarial assumptions, as provided in R.S.
16 11:834 ~~and 1171~~, shall be considered amendments to the provisions of the retirement
17 system.

18 B. No amendment to this retirement system or to any plan in the retirement
19 system shall operate to deprive any member of a benefit to which he is already
20 entitled. In the case of any merger or consolidation with, or transfer of assets or
21 liabilities to, any other retirement system or plan, each member in ~~the retirement~~
22 system an affected Teachers' Retirement System plan would (if the ~~retirement system~~
23 plan is then terminated) receive a benefit immediately after the merger,
24 consolidation, or transfer which is equal to or greater than the benefit he would have
25 been entitled to receive immediately before the merger, consolidation, or transfer (if
26 the ~~retirement system plan~~ had then terminated).

27 C. Upon the termination or partial termination of ~~the retirement a plan in this~~
28 system or upon the discontinuance of contributions by the employer without formal
29 termination of ~~the retirement system a plan~~, the board of trustees shall reevaluate and
30 redetermine the benefit of each member in such plan, and the entire benefit of each
31 such member may be paid or commence to be paid and distributed to ~~such the~~
32 member, or in the case of his death before such distribution, to the beneficiary or
33 beneficiaries designated by ~~such the~~ member, or may be held until payment
34 otherwise due under the provisions of the retirement ~~system plan~~. A member's right
35 to his benefit is not conditioned upon a sufficiency of plan assets in the event of
36 termination.

37 * * *

38 §851. Investment of funds; limitations and restrictions; interest

39 A. The board of trustees shall be the trustees of the several funds created by
40 R.S. 11:871 and 1191 and shall have full power to invest and reinvest available funds
41 and to hold, purchase, sell, assign, transfer, and dispose of any of the securities and
42 investments of ~~the system each plan~~ in the name of the ~~system plan~~ or its nominee
43 name provided the action is taken in compliance with the rules and regulations
44 established by the board of trustees in accordance with the provisions of R.S. 11:263.

45 B. All interest derived from investments and any gains from the sale or
46 exchange of investments shall be credited to the account of the ~~system plan~~.

47 C. In every situation where interest is due and payable to the retirement
48 ~~system plan~~, the rate of interest shall be compounded interest at the plan's
49 board-approved actuarial valuation rate, except in those cases where the interest is
50 specifically set by statute.

51 * * *

52 §871. Funds to which assets credited

53 All of the assets of the retirement ~~system plan~~ shall be credited according to
54 the purpose for which they are held to one of five funds, namely, the annuity savings
55 fund, the employee experience account, the pension accumulation fund, the pension
56 reserve fund, and the expense fund.

57 §872. Contributions when compensation is reduced or not paid

58 In the event the daily compensation paid to a member of this ~~system plan~~ is
59 reduced by an amount paid to a substitute, the employee and employer contributions

1 to the ~~system plan~~ shall be the same amount as if no deduction was made from the
2 member's salary for the substitute. In the event the total daily compensation of a
3 member of the ~~system plan~~ is not paid by the employer, even if a substitute is paid
4 by the employer, no employee or employer contribution shall be deducted or paid to
5 the retirement ~~system plan~~ by the employer for days that no compensation is paid.
6 When no compensation is paid and the employer does not place the employee on
7 official leave without pay, the employee shall be entitled to purchase such time and
8 the cost may be paid by either the employee or employer, or both. If an employer
9 does pay for all or a portion of such purchase price, the employer shall pay the same
10 percentage on behalf of all of its employees that are similarly situated.

11 * * *

12 §875. Pension accumulation fund; description and composition of funds; normal and
13 accrued liability contributions; determination

14 The pension accumulation fund in this plan shall be the fund in which shall
15 be accumulated all reserves for the payment of all pensions and other benefits
16 payable from contributions made by employers and, in applicable cases, from the
17 proceeds of one-half of one percent of taxes collectible in all parishes except the
18 parish of Orleans. Contributions to and payments from the pension accumulation
19 fund shall be made as follows:

20 (1) On account of each member there shall be paid annually into the pension
21 accumulation fund by employers from the preceding fiscal year an amount equal to
22 a certain percentage of the earnable compensation of each member to be known as
23 the "normal contribution", and an additional amount equal to a percentage of his
24 earnable compensation, to be known as the "accrued liability contribution". The
25 percentage rate of such contributions shall be fixed on the basis of the liabilities of
26 the ~~retirement system plan~~ as shown by actuarial valuation; provided, however, that
27 the total percentage rate of such contributions shall not be less than eleven and
28 eight-tenths percent.

29 * * *

30 (4)

31 * * *

32 (b) If at any time the amount thus required to be deducted and paid over to
33 the board of trustees results in a larger or smaller aggregate amount than the amount
34 required for the purposes for which such funds are to be used, as provided by this
35 ~~Chapter Part~~, then the board of trustees of the system shall instruct the sheriffs and
36 ex officio tax collectors of the parishes to deduct for this ~~retirement system plan~~ a
37 smaller or larger percentage than is herein provided not to exceed a total deduction
38 of more than one percent.

39 (c) The percentage rate of the contribution to be made to the ~~system plan~~ in
40 accordance with this Paragraph ~~(4)~~ which shall be credited in the pension
41 accumulation fund to "normal contribution" and the percentage rate to be credited
42 to "accrued liability" shall be determined by the board of trustees, based upon such
43 actuarial valuation for the purpose as the board shall direct.

44 (5) With respect to each member of this ~~system plan~~ who is a participant in
45 the Louisiana Educational Employees Professional Improvement Program, the
46 employer's contribution shall not be computed on the compensation received
47 pursuant to R.S. 17:3601 et seq. until July 1, 1982, and shall be computed including
48 such compensation every year thereafter.

49 * * *

50 §881. Benefits for certain employees designated to hold supplemental membership

51 Notwithstanding any provisions of this Part to the contrary an employee
52 enrolled in this plan holding membership in the United States Civil Service
53 Retirement System by virtue of his employment by Louisiana State University or by
54 Southern University shall be eligible to receive a supplemental benefit from this
55 ~~system plan~~ as hereinafter set forth:

56 * * *

57 (4) If cost-of-living increases payable by the United States Civil Service
58 Retirement System are granted to retirees which are in excess of cost-of-living

1 increases granted to retirees under this ~~system plan~~, the supplemental benefit shall
 2 be reduced to the extent of such excess.

3 * * *

4 (8) On account of each employee after September 12, 1975, the employer
 5 university shall pay into the pension accumulation fund of the Teachers' Retirement
 6 ~~System of Louisiana Plan~~, an amount sufficient to support the supplemental benefits.
 7 Initially, such payments, together with the employer contribution to the United States
 8 Civil Service Retirement System, shall not be less than the university contribution
 9 for regular members of this ~~system plan~~.

10 * * *

11 §883.1. Experience account; Teachers' Retirement Plan

12 A. Effective June 30, 2012, the Teachers' Retirement System of Louisiana
 13 experience account shall become the Teachers' Retirement Plan experience account
 14 and shall only be applicable to the plan created by the provisions of this Part.

15 (1)(a) Effective July 1, 2004, the balance in the experience account shall be
 16 zero.

17 (b) Effective June 30, 2009, the balance in the experience account shall be
 18 zero. Any funds in the account on June 29, 2009, shall be allocated in the following
 19 order:

20 (i) To provide for any net investment loss attributable to the balance in the
 21 account as provided in Paragraph (B)(1) of this Section.

22 (ii) To fund any permanent benefit increase or minimum benefit pursuant to
 23 ~~the Act No. 144 that originated as House Bill No. 586~~ of the 2009 Regular Session
 24 of the Legislature.

25 (iii) To apply to the experience account amortization base as provided in
 26 R.S. 11:102.2(C)(2); however, as of June 30, 2009, these funds shall be transferred
 27 to the system's Texaco Account and retained in a subaccount of that account until
 28 that account is applied as provided in R.S. 11:102.2. The subaccount shall continue
 29 to be credited and debited as provided in Subparagraph ~~(A)(2)(b)~~ of this Subsection
 30 and Paragraph (B)(1) of this Section until such application.

31 (2) The experience account shall be credited as follows:

32 (a) To the extent permitted by Paragraph (3) of this Subsection and after
 33 allocation to the consolidated amortization bases as provided in R.S. 11:102.2, an
 34 amount not to exceed fifty percent of the remaining balance of the prior year's net
 35 investment experience gain as determined by the ~~system's plan's~~ actuary.

36 (b) To the extent permitted by Paragraph (3) of this Subsection, an amount
 37 not to exceed that portion of the ~~system's plan's~~ net investment income attributable
 38 to the balance in the experience account during the prior year.

39 (3) In no event shall the amount in the experience account exceed the reserve
 40 necessary to grant two permanent benefit increases as provided in Subsection C of
 41 this Section.

42 B. The experience account shall be debited as follows:

43 (1) An amount equal to that portion of the ~~system's plan's~~ net investment loss
 44 attributable to the balance in the experience account during the prior year.

45 (2) An amount sufficient to fund a permanent benefit increase granted
 46 pursuant to Subsection C of this Section.

47 (3) In no event shall the amount in the experience account fall below zero.

48 C.(1) In accordance with the provisions of this Section, the board of trustees
 49 may recommend to the president of the Senate and the speaker of the House of
 50 Representatives that the system be permitted to grant a permanent benefit increase
 51 to retirees and beneficiaries whenever the conditions in Subsection G of this Section
 52 are satisfied and the balance in the experience account is sufficient to fund such
 53 benefit fully on an actuarial basis, as determined by the ~~system's plan's~~ actuary. If
 54 the legislative auditor's actuary disagrees with the determination of the ~~system's~~
 55 plan's actuary, a permanent benefit increase shall not be granted. The board of
 56 trustees shall not grant a permanent benefit increase unless such permanent benefit
 57 increase has been approved by the legislature by concurrent resolution adopted by
 58 a favorable vote of a majority of the elected members of each house. Any increase

1 granted shall begin on the July first following legislative approval, shall be payable
2 annually, and shall equal an amount not to exceed the lesser of:

3 * * *

4 (4)

5 * * *

6 (c)(i) The provisions of Items (a)(ii), (b)(ii), (d)(ii), and (e)(ii) of this
7 Paragraph shall not apply to any person who receives disability benefits from this
8 system plan, or who receives benefits based on the death of a disability retiree of this
9 system plan.

10 * * *

11 G.(1) The permanent benefit increase which is authorized by Subsection C
12 of this Section shall be limited to the lesser of either two percent or an amount as
13 determined in Paragraph (C)(2) of this Section in or for any year in which the system
14 plan does not earn an actuarial rate of return of at least eight ~~and one-quarter~~ percent
15 interest on the investment of the system's plan's assets.

16 (2) No permanent benefit increase shall be authorized based on any actuarial
17 valuation in which both of the following apply:

18 (a) The system plan fails to earn an actuarial rate of return which exceeds the
19 board-approved actuarial valuation rate.

20 (b) The system plan is less than eighty percent funded.

21 §883.1.1. Supplemental cost-of-living increase for 2007; payment from experience
22 account

23 * * *

24 F. The provisions of this Section shall apply only to members of the
25 Teachers' Retirement Plan as established in this Part.

26 * * *

27 §885. Collection of employers' contributions; procedure

28 The collection of employers' contributions on the earnable compensation of
29 members shall be made as follows:

30 * * *

31 (2) Immediately upon approval by the State Board of Education, or its
32 successor, of the minimum foundation program distribution of the current fiscal year,
33 the State Department of Education shall certify to the state treasurer the monthly
34 amount due by each parish and city school board and each vocational-technical
35 school and special school under its jurisdiction as the employer contribution at the
36 rate determined and certified in Paragraph (1) of this Section to the retirement system
37 plan based on the total earnable compensation from state funds of each member of
38 the system plan in the employ of the school board, vocational-technical school or
39 special school. The treasurer shall deduct from the state funds due each such
40 employer monthly the employer contribution of each such employer and shall remit
41 this amount directly to the secretary-treasurer of the board of trustees within five
42 working days after the first day of each month.

43 * * *

44 (4) At the beginning of each school year, not later than September first of
45 each year, the State Board of Education, or its successors, and the Board of
46 Supervisors of Louisiana State University and Agricultural and Mechanical College
47 shall certify to the state treasurer the monthly amount due by each college or
48 university under its jurisdiction as the employer contribution at the rate determined
49 and certified in Paragraph (1) of this Section to the retirement system plan based on
50 the total earnable compensation from state funds of each member of the system plan
51 in the employ of the college or university. The state treasurer shall deduct from the
52 state funds due each college or university monthly the employer contribution for
53 each college or university and shall remit this amount directly to the
54 secretary-treasurer of the board of trustees within five working days of the first of
55 each month.

56 * * *

57 §888. Submission of contributions reports; liability for erroneous information;
58 limitations and corrections

1 A. Each employer of a member in the Teachers' Retirement Plan shall
 2 transmit, monthly, a contributions report setting forth necessary salary and deduction
 3 information, provided that the board of trustees may, in its discretion, extend the
 4 time for submission.

5 B. If any reporting agency submits a contributions report which is in error
 6 as to the salary of any member and such error results in overpayment of benefits by
 7 the ~~system plan~~, the agency shall be liable to the Teachers' Retirement ~~System of~~
 8 Louisiana Plan for the amount of the overpayment and shall reimburse the ~~system~~
 9 plan for the full amount of all such overpayments within thirty days after discovery
 10 of the error or overpayment.

11 C.(1) If any reporting agency submits a contributions report which is in error
 12 as to the earnings or salary of a member or the amount of time worked by a member
 13 and such error results in the member receiving less service credit or paying less
 14 employee contributions, said error may be corrected by the reporting agency for a
 15 period of up to three years after the contributions report was due the retirement
 16 ~~system plan~~ by the payment of the correct employee and employer contributions plus
 17 legal interest compounded annually from the date of error.

18 (2) Any corrections as to earnings or salary made more than three years after
 19 a contributions report is due the retirement ~~system plan~~ shall be a purchase of service
 20 credit under the provisions of R.S. 11:158. The employer institution, in its
 21 discretion, may pay not more than fifty percent of the purchase price. However, if
 22 it makes such payment, it shall then make such payment, in the same percentage,
 23 with respect to all other purchases under this Paragraph, provided, however, that if
 24 the error is the total fault of the employer, the employer shall pay the total purchase
 25 cost.

26 * * *

27 §896. Correction of membership errors

28 A. If a person is employed in a position in which he should have been
 29 enrolled in this ~~system plan~~ on the date of employment but was by error enrolled in
 30 another public retirement system or plan he shall have three years from the date of
 31 improper enrollment to transfer to this ~~system plan~~ if he is eligible for membership
 32 in this ~~system plan~~. He shall make application to this system for the transfer within
 33 three years from the date of improper enrollment and the transferring system or plan
 34 shall transfer all employee and employer contributions made on his behalf plus
 35 interest compounded annually at the actuarial valuation rate of the transferring
 36 system or plan. In the event the amount of employee and employer contributions
 37 plus interest transferred are not sufficient to pay the total employee and employer
 38 contributions that would have been paid to the ~~system plan~~ plus the interest that
 39 would have accrued compounded annually at the actuarial valuation rate had the
 40 member been properly enrolled, the employer shall pay any difference in the assets
 41 to be transferred to the receiving ~~system plan~~. In the event the amount of employee
 42 and employer contributions plus interest compounded annually at the actuarial
 43 valuation rate is more than that required to be transferred to the receiving ~~system~~
 44 plan, the employee and employer shall be refunded the amount of the overpayment
 45 in proportion to their contributions. Upon payment of this sum all of his service
 46 credit will be transferred to this ~~system plan~~.

47 B. If a person is employed in a position in which he should have been
 48 enrolled in this ~~system plan~~ on the date of employment but was by error enrolled in
 49 another public retirement system or plan and has been a member of such system or
 50 plan for more than three years but is still eligible for membership in this ~~system plan~~,
 51 he may transfer to this ~~system plan~~ but such transfer shall be totally governed by and
 52 be a transfer under the provisions of R.S. 11:143; however, if the enrollment error
 53 is the total fault of the employer, the employer shall pay any difference in the assets
 54 to be transferred and the actuarial cost to the receiving ~~system plan~~ in order to
 55 transfer all eligible service credit. In the event the amount of employee and
 56 employer contributions plus interest compounded annually at the actuarial valuation
 57 rate is more than that required to be transferred under R.S. 11:143, the employee and
 58 the employer shall be refunded the amount of the overpayment in proportion to their
 59 contributions.

1 C. If a person is employed in a position in which he should have been
 2 enrolled in this ~~system plan~~ on the date of employment, but was not enrolled in any
 3 public retirement system or plan, he shall become a member of this system plan. He
 4 may only establish service credit for the time he should have been a member of this
 5 system plan under the provisions of R.S. 11:888.

6 * * *

7 §921. Creation of plan

8 A. There is established an optional retirement plan for the following
 9 classes of employees covered by this ~~Subpart~~ Division who are eligible for
 10 membership in the Teachers' Retirement ~~System of Louisiana Plan~~:

11 * * *

12 §925. Eligibility

13 A. Academic and administrative employees of public institutions of
 14 higher education and employees of the Board of Regents, Board of Trustees for
 15 State Colleges and Universities, Board of Supervisors of Louisiana State
 16 University and Agricultural and Mechanical College, and Board of Supervisors of
 17 Southern University and Agricultural and Mechanical College, or their
 18 successors, and any other constitutionally established board which manages
 19 institutions of higher education who are current members in the regular retirement
 20 plan of the Teachers' Retirement ~~System of Louisiana Plan~~ may make an
 21 irrevocable election to participate in the optional retirement plan within one
 22 hundred eighty days after the implementation date of the optional retirement plan
 23 at their employer institution or board. Eligible employees who are initially
 24 employed on or after the implementation date at their employer institution or
 25 board may make an irrevocable election to participate in the optional retirement
 26 plan within sixty days after their employment date. Any academic or
 27 administrative employee of a public institution of higher education or employee
 28 of the Board of Regents, Board of Trustees for State Colleges and Universities,
 29 Board of Supervisors of Louisiana State University and Agricultural and
 30 Mechanical College, or Board of Supervisors of Southern University and
 31 Agricultural and Mechanical College, or their successors, and any other
 32 constitutionally established board which manages institutions of higher education
 33 who is not eligible for membership in the Teachers' Retirement ~~System of~~
 34 Louisiana Plan because of age shall be eligible to participate in the optional
 35 retirement plan upon election by such employee. Elections must be made in
 36 writing and filed with the appropriate officer of the employer institution or board,
 37 who shall forward a copy of the completed election to the Teachers' Retirement
 38 System of Louisiana. Current Teachers' Retirement ~~System of Louisiana Plan~~
 39 members' elections will be effective as of the date they are filed. Elections of
 40 eligible employees hired on or after the implementation date of the optional
 41 retirement plan at their institution or board will be effective as of the date of their
 42 employment. If an eligible employee fails to make the election provided for in
 43 this Section, he shall become a member of the regular retirement plan of the
 44 Teachers' Retirement ~~System of Louisiana Plan~~ in accordance with R.S. 11:721.

45 B. Notwithstanding the provisions of Subsection A of this Section any
 46 academic or administrative employee of a public institution of higher education
 47 and any employee of the Board of Regents, Board of Trustees for State Colleges
 48 and Universities, Board of Supervisors of Louisiana State University and
 49 Agricultural and Mechanical College, and Board of Supervisors of Southern
 50 University and Agricultural and Mechanical College, or their successors, and any
 51 other constitutionally established board which manages institutions of higher
 52 education who is an active contributing member in the regular retirement plan of
 53 the Teachers' Retirement ~~System of Louisiana Plan~~ and who has less than five
 54 years of creditable service in the Teachers' Retirement ~~System of Louisiana Plan~~,
 55 may make an irrevocable election to participate in the optional retirement plan
 56 and transfer his accumulated employee contributions to the optional retirement
 57 plan under the provisions of R.S. 11:926(A). The election provided by this
 58 Subsection can only be elected by a member prior to attainment of five years of
 59 creditable service in the Teachers' Retirement ~~System of Louisiana Plan~~.

1 C. Any person who is an academic or administrative employee of a public
 2 institution of higher education or employee of the Board of Regents, Board of
 3 Trustees for State Colleges and Universities, Board of Supervisors of Louisiana
 4 State University and Agricultural and Mechanical College, or Board of
 5 Supervisors of Southern University and Agricultural and Mechanical College, or
 6 their successors, and any other constitutionally established board which manages
 7 institutions of higher education who is not eligible for membership in the
 8 Teachers' Retirement ~~System of Louisiana~~ Plan because he is a part-time,
 9 seasonal, or temporary employee as defined in 26 CFR 31:3121(b)(7)-2, or in any
 10 successor regulation, may make an irrevocable election to participate in the
 11 optional retirement plan and transfer any accumulated employee contributions to
 12 the optional retirement plan under the provisions of R.S. 11:926(A).

13 §926. Transfers

14 A. A current member in the Teachers' Retirement ~~System of Louisiana~~
 15 Plan who elects participation in the optional retirement plan shall have the right to
 16 have his accumulated employee contributions transferred to the optional
 17 retirement plan. Upon such election, the Teachers' Retirement ~~System of~~
 18 Louisiana Plan will transfer his accumulated employee contributions directly to
 19 the optional retirement plan to purchase benefits thereunder, and the funds will
 20 not be available to the employee.

21 B. A current vested member in the Teachers' Retirement ~~System of~~
 22 Louisiana Plan or a member with sufficient years of service credit but who is not
 23 old enough to receive a benefit and who elects participation in the optional
 24 retirement plan will have the same rights and privileges accorded by R.S. 11:726.

25 §927. Contributions

26 A. Each participant shall contribute monthly to the optional retirement
 27 plan the same amount which he would be required to contribute to the regular
 28 retirement plan of the Teachers' Retirement ~~System of Louisiana~~ Plan if he were a
 29 member of that retirement plan. Participant contributions may be made by
 30 employer pick-up in accordance with the provisions of Section 414(h)(2) of the
 31 United States Internal Revenue Code or any amendment thereto. The entirety of
 32 each participant's contribution, less any monthly fee established by the board to
 33 cover the cost of administration and maintenance of the optional retirement plan,
 34 shall be remitted to the appropriate designated company or companies for
 35 application to the participant's contract or contracts.

36 B. Each employer institution and board shall contribute to the Teachers'
 37 Retirement System of Louisiana on behalf of each participant in the optional
 38 retirement plan the same amount it would have contributed if the participant had
 39 been a member of the regular retirement plan of the Teachers' Retirement ~~System~~
 40 of Louisiana Plan. Upon receipt of this contribution, the Teachers' Retirement
 41 System of Louisiana shall promptly pay over to the appropriate designated
 42 company or companies an amount equal to the employer's portion of the normal
 43 cost contribution as determined annually by the Public Retirement Systems'
 44 Actuarial Committee, this amount to be credited to the participant's contract or
 45 contracts. The Teachers' Retirement System of Louisiana shall retain the balance
 46 of this contribution for application to the unfunded accrued liability of the ~~system~~
 47 Teachers' Retirement Plan.

48 C. Notwithstanding the provisions of Subsections A and B of this Section,
 49 the Teachers' Retirement System of Louisiana shall not remit any funds or
 50 contributions to any company or companies from an employer institution or board
 51 until the correct and total amount, rounded to the nearest dollar amount, to be
 52 remitted to the Teachers' Retirement System of Louisiana under Subsections A
 53 and B of this Section is received each month from the employer institution or
 54 board.

55 D. If a participant first became eligible for membership in the Teachers'
 56 Retirement ~~System of Louisiana~~ Plan, or this Optional Retirement Plan, on or
 57 after July 1, 1996, the contributions remitted by the Teachers' Retirement System
 58 of Louisiana to any authorized company shall not be based upon compensation in

1 excess of the annual limit of Section 401(a)(17) of the United States Internal
2 Revenue Code as amended and revised.

3 §928. Limitations

4 Any person electing to participate in the optional retirement plan shall
5 always be ineligible for membership in the regular ~~retirement plan of the~~
6 ~~Teachers' Retirement System of Louisiana Plan~~ even if he is employed in a
7 position covered by the Teachers' Retirement ~~System of Louisiana~~ Plan If an
8 optional retirement plan participant assumes a position other than as an employee
9 of a public institution of higher education or employee of the Board of Regents,
10 Board of Trustees for State Colleges and Universities, Board of Supervisors of
11 Louisiana State University and Agricultural and Mechanical College, or Board of
12 Supervisors of Southern University and Agricultural and Mechanical College, or
13 their successors, and any other constitutionally established board which manages
14 institutions of higher education in a position covered by the Teachers' Retirement
15 ~~System of Louisiana Plan~~, he shall continue to participate in the optional
16 retirement plan. If an optional retirement plan participant assumes a position in
17 state service other than as an employee of a public institution of higher education
18 or employee of the Board of Regents, Board of Trustees for State Colleges and
19 Universities, Board of Supervisors of Louisiana State University and Agricultural
20 and Mechanical College, or Board of Supervisors of Southern University and
21 Agricultural and Mechanical College, or their successors, and any other
22 constitutionally established board which manages institutions of higher education
23 in a position not covered by the Teachers' Retirement ~~System of Louisiana Plan~~,
24 he must at that time begin membership in the appropriate retirement system
25 which provides benefits for that position in state service, other than the Teachers'
26 Retirement ~~System of Louisiana Plan~~.

27 §929. Benefits not obligation of the state; payment of benefits; eligibility
28 in other plans

29 A. Any person electing to participate in the optional retirement plan shall
30 agree that the benefits payable to participants are not the obligations of the state
31 of Louisiana, ~~the Teachers' Retirement Plan~~, or the Teachers' Retirement System
32 of Louisiana, and that such benefits and other rights of the optional retirement
33 plan are the liability and responsibility solely of the designated company or
34 companies to whom contributions have been made. Furthermore, all participants
35 shall in accordance with this agreement expressly waive his or her rights set forth
36 in Article X, Section 29(A) and (B) of the Louisiana Constitution.

37 * * *

38 C. An optional retirement plan participant receiving retirement benefits
39 under Subsection B of this Section shall be eligible to participate in the Office of
40 Group Benefits programs only if he has accumulated the total number of years of
41 creditable service which would have entitled him to receive a retirement
42 allowance from the defined benefit plan of the Teachers' Retirement System of
43 ~~Louisiana Plan~~.

44 * * *

45 E. In the event that an optional retirement plan participant is required to
46 prove entitlement to a disability retirement allowance from the defined benefit
47 plan of the ~~retirement system~~ Teachers' Retirement Plan in order to be eligible for
48 participation in the Office of Group Benefits programs, the retirement system
49 shall be responsible only for certification of the total number of years of
50 creditable service as provided by the employer institution or board. Any medical
51 finding of disability necessary for eligibility under Subsection C of this Section
52 shall be the sole responsibility of the participant as required by the Office of
53 Group Benefits.

54 F. There shall be no liability on the part of and no cause of action of any
55 nature shall arise against the Teachers' Retirement Plan, the Teachers' Retirement
56 System of Louisiana, or its agents or employees, for any action taken in the
57 performance of the duties under Subsection D or E of this Section.

58 * * *

59 §942.1. Creation of plan

1 A. There is hereby established an alternative contribution plan for certain
2 members of the Teachers' Retirement ~~System of Louisiana Plan~~. Members who
3 are covered under the provisions of R.S. 11:801 or 811, or both, shall not be
4 eligible to participate in this plan.

5 * * *

6 §942.4. Contributions

7 A. Each participant shall contribute monthly to the alternative
8 contribution plan six percent of his earnable compensation. These contributions
9 may be made by employer pick-up in accordance with the provisions of Section
10 414(h)(2) of the United States Internal Revenue Code or any amendment thereto.
11 This six percent member contribution shall be remitted by the Teachers'
12 Retirement ~~System Plan~~ to the appropriate designated company for application to
13 the participant's investments, but not until all employee and employer
14 contributions have been received by the Teachers' Retirement ~~System Plan~~.

15 B.(1) Each participant shall contribute monthly to the regular plan of the
16 Teachers' Retirement ~~System Plan~~ one and nine-tenths percent of his earnable
17 compensation.

18 (2) The participant shall also contribute one-tenth of one percent of his
19 earnable compensation to the Teachers' Retirement ~~System Plan~~ for the
20 administration of the alternative contribution plan.

21 C. Each employer shall contribute to the Teachers' Retirement ~~System~~
22 Plan on behalf of each participant in the alternative contribution plan the same
23 amount it would have contributed if the participant had been a member of the
24 regular plan.

25 §942.5. Transfers

26 Any current member of the regular plan who elects to participate in the
27 alternative contribution plan as authorized by R.S. 11:942.1(C) shall have six
28 percent of all of his salary that was previously reported to the Teachers'
29 Retirement ~~System Plan~~ transferred to his alternative contribution plan account
30 without interest.

31 * * *

32 §942.7. Benefits not obligation of the state; payment of benefits

33 A. Any person electing to participate in the alternative contribution plan
34 shall agree that the benefits payable to participants are not the obligations of the
35 state of Louisiana, ~~the Teachers' Retirement Plan~~, or the Teachers' Retirement
36 System of Louisiana and that such benefits and other rights of the alternative
37 contribution plan are the liability and responsibility solely of the designated
38 company to whom contributions have been made.

39 * * *

40 §942.8. Service credit; eligibility

41 A. Members of the Teachers' Retirement ~~System Plan~~ who participate in
42 the alternative contribution plan must meet the same minimum eligibility
43 requirements as members of the regular Teachers' Retirement ~~Plan System of~~
44 ~~Louisiana regular plan~~ in order to be eligible for regular and disability benefits
45 and survivor benefits.

46 * * *

47 §942.9. Conflict with other laws

48 Any member of the Teachers' Retirement ~~System of Louisiana Plan~~ who
49 participates in the alternative contribution plan shall be governed by all of the
50 laws, policies, rules, and regulations which govern the Teachers' Retirement
51 ~~System of Louisiana Plan~~, except where they are in conflict with the specific
52 provisions of R.S. 11:942.1 through 942.8 and in which case the said specific
53 provisions shall govern.

54 §945. Establishment of plan

55 There is hereby created a separate, unfunded, nonqualified excess benefit
56 plan containing the terms and provisions set forth in this ~~Part Subpart~~ and
57 intended to be a qualified governmental excess benefit arrangement, as defined in
58 Section 415(m)(3) of the Internal Revenue Code.

59 §946. Benefit provided

1 A. An excess benefit participant who is receiving benefits from ~~this~~
2 ~~system the Teachers' Retirement Plan~~ is entitled to a monthly benefit under this
3 excess benefit plan in an amount equal to the lesser of either:

4 (1) The member's unrestricted benefit as that term is defined in R.S.
5 11:701, less the maximum benefit.

6 (2) The amount by which the member's monthly benefit from the ~~system~~
7 Teachers' Retirement Plan has been reduced because of the limitations of R.S.
8 11:784.1.

9 B. A retirement benefit payable under this excess benefit plan shall be
10 paid in the form and at the time it would have been paid as a monthly pension
11 under the ~~system Teachers' Retirement Plan~~ except for the limitations under R.S.
12 11:784.1 and Section 415 of the United States Internal Revenue Code. Each
13 optional benefit form permitted under this excess benefit plan shall be the
14 actuarial equivalent of each other permitted benefit form.

15 C. This plan shall be administered by the Board of Trustees of this
16 system. Except as provided to the contrary by this ~~Part Subpart~~, the rights, duties,
17 and responsibilities of the board shall be the same for this excess benefit plan as
18 for the system set forth in ~~Part V Subpart E~~ of this Chapter.

19 D. The actuary employed by the board is responsible for determining the
20 amount of benefits that may not be provided under the ~~system Teachers'~~
21 Retirement Plan solely because of the limitations of R.S. 11:784.1 and Section
22 415 of the United States Internal Revenue Code and thus the amount of
23 contributions that will be made to this excess benefit plan rather than to the
24 ~~system Teachers' Retirement Plan~~.

25 * * *

26 §947. Contributions

27 A.(1) Contributions may not be accumulated under this excess benefit
28 plan to pay future retirement benefits. Instead, each payment of contributions by
29 the employer that would otherwise be made to the system shall be reduced by the
30 amount determined by the board as necessary to meet the requirements for
31 retirement benefits under this excess benefit plan until the next payment of
32 contributions is expected to be made to the ~~system Teachers' Retirement Plan~~ by
33 the employer.

34 (2) The employer shall then pay to this excess benefit plan, out of the
35 contributions that would otherwise have been made to the ~~system Teachers'~~
36 Retirement Plan, no later than the fourteenth day before the date of each
37 distribution of monthly retirement benefits is required to be made from this
38 excess benefit plan, the amount necessary to satisfy the obligation to pay monthly
39 retirement benefits under this excess benefit plan.

40 * * *

41 C. The employer contributions otherwise required to be made to the
42 ~~system Teachers' Retirement Plan~~ pursuant to R.S. 11:875 and any other qualified
43 plans of the employer shall be divided into those contributions required to pay
44 retirement benefits pursuant to this ~~Part Subpart~~ and those contributions paid into
45 and accumulated to pay the maximum benefits required by any such qualified
46 plans.

47 D. Employer contributions made to provide retirement benefits pursuant
48 to this ~~Part Subpart~~ may not be commingled with the monies of the ~~system~~
49 Teachers' Retirement Plan or any other qualified plan, nor may this plan ever
50 receive any transfer of assets from the ~~system Teachers' Retirement Plan~~.

51 * * *

52 ~~CHAPTER 3: PART II. LOUISIANA SCHOOL EMPLOYEES'~~
53 RETIREMENT SYSTEM PLAN

54 ~~PART I SUBPART A. GENERAL PROVISIONS~~

55 §1001. Name and establishment of retirement system; domicile; nominee name;
56 partnership

57 A. A retirement ~~system plan~~ is established and placed under the
58 management of a board of trustees as established in R.S. 11:821 for the purpose
59 of providing retirement allowances and other benefits for school bus drivers,

1 school janitors, school custodians, school maintenance employees, and other
 2 school employees employed in the state public school system. The retirement
 3 system plan is created as of July 31, 1946, but shall begin full operation as of July
 4 1, 1947.

5 B. It shall be a ~~state agency domiciled in East Baton Rouge Parish and~~
 6 ~~shall have the powers and privileges of a corporation and shall be known as the~~
 7 Louisiana School Employees' Retirement System Plan and by such name, or its
 8 nominee name which is hereby established as "~~LSERS,~~" "LSERP", all of its
 9 business shall be transacted, all of its funds invested, and all of its cash and
 10 securities and other property held, except as provided in Subsection C hereof.
 11 The secretary-treasurer of the system shall be the agent for service of legal
 12 process.

13 * * *

14 §1002. Definitions

15 As used in this ~~Chapter Part~~, the following words and phrases shall have
 16 the meanings ascribed to them in this Section unless a different meaning is plainly
 17 required by the context:

18 * * *

19 (6)(a) "Average compensation", for a member whose first employment
 20 making him eligible for membership in the system plan began on or before June
 21 30, 2006, shall be based on the thirty-six highest successive months of
 22 employment, or on the highest thirty-six successive joined months of employment
 23 where interruption of service occurred; however, the average compensation
 24 amount to be considered for the first through the twelfth month shall not exceed
 25 the compensation for the immediately preceding twelve months by more than ten
 26 percent. The amount for the thirteenth through the twenty-fourth month shall not
 27 exceed the lesser of the maximum allowable compensation amount or the actual
 28 compensation amount for the first through the twelfth month by more than ten
 29 percent. The amount for the twenty-fifth through the thirty-sixth month shall not
 30 exceed the lesser of the maximum allowable compensation amount or the actual
 31 compensation amount for the thirteenth through the twenty-fourth month by more
 32 than ten percent. The limitations on the computation of average compensation in
 33 this ~~Paragraph Subparagraph~~ shall not apply to any of the twelve-month periods
 34 where compensation increased by more than one hundred ten percent over the
 35 previous twelve-month period solely because of an increase in compensation by
 36 legislative act or by a city/parish system-wide salary increase.

37 (b) "Average compensation", for a member whose first employment
 38 making him eligible for membership in the system plan began on or after July 1,
 39 2006, whose first employment making him eligible for membership in one of the
 40 state systems occurred on or before June 30, 2010, shall be based on the sixty
 41 highest successive months of employment, or on the highest sixty successive
 42 joined months of employment where interruption of service occurred; however,
 43 the average compensation amount for the thirteenth through the twenty-fourth
 44 month shall not exceed the actual compensation amount for the first through the
 45 twelfth month by more than ten percent. The amount for the twenty-fifth through
 46 the thirty-sixth month shall not exceed the lesser of the maximum allowable
 47 compensation amount or the actual compensation amount for the thirteenth
 48 through the twenty-fourth month by more than ten percent. The amount for the
 49 thirty-seventh through the forty-eighth month shall not exceed the lesser of the
 50 maximum allowable compensation amount or the actual compensation amount for
 51 the twenty-fifth through the thirty-sixth month by more than ten percent. The
 52 amount for the forty-ninth through the sixtieth month shall not exceed the lesser
 53 of the maximum allowable compensation amount or the actual compensation
 54 amount for the thirty-seventh through the forty-eighth month by more than ten
 55 percent. The limitations on the computation of average compensation contained
 56 in this ~~Paragraph Subparagraph~~ shall not apply to any twelve-month period during
 57 which compensation increased by more than one hundred ten percent over the
 58 previous twelve-month period solely because of an increase in compensation by
 59 legislative act or by a city/parish system-wide salary increase.

* * *

(7) "Beneficiary" means any person in receipt of a pension, an annuity, a retirement allowance or other benefit provided by this ~~Chapter Part~~.

(8) "Board of Trustees" means the board provided to administer the retirement ~~system plans~~ provided for in this Chapter, established in R.S. 11:821.

(9) "Creditable service" means "prior service" plus "in service" plus "membership service" for which credit is allowable as provided in Subpart C of this Part III of this Chapter.

* * *

(12) "Earnable compensation" means the full amount earned by an employee for a given pay period. Earnable compensation shall not include operating expenses, the cost of any insurance paid by the employer, or any allowance for expenses authorized and incurred as an incident of employment, nor payments in lieu of unused sick or annual leave. Earnable compensation shall include pay received by school bus drivers for school-related extracurricular activities. Contributions made by the employer under the provisions of this ~~Chapter Part~~ shall not be considered as a part of the employee's rate of pay or compensation notwithstanding the provisions of any other law.

(13) "Employee" means any person legally occupying a position as a school bus driver who actually renders a service by driving a school bus during the full time of his employment, a school janitor, a school custodian, a school maintenance employee, school bus aide, monitor or attendant, or other regular school employee who actually works on a school bus helping with the transportation of school children, and who is a legal employee of a parish or city school board of the state of Louisiana, and shall include the employees of this system who were employed by the Louisiana School Employees Retirement System prior to its merger into the Teachers' Retirement System of Louisiana.

* * *

(15) "In service" means service rendered after June 30, 1947, for which retirement credit has not been received and for which credit is allowable under Subpart C of this Part III of this Chapter.

(16) "Medical board" shall mean the ~~State Medical Disability Board~~ board provided for in R.S. 11:833.

(17) "Member" means any school employee, as defined in Paragraph (13) of this Section, as provided in Subpart B of this Part H of this Chapter. In all cases of doubt, the board of trustees, as hereinafter defined, shall determine whether any person is eligible to be a member.

(18) "Membership service" means service as an employee rendered while a member of the retirement ~~system plan~~ or while a member of the Louisiana School Employees Retirement System prior to June 30, 2012.

(19) "Minor child" means an unmarried child under the age of eighteen years or an unmarried student under the age of twenty-three years who is the issue of a marriage of a member of this ~~system plan~~, the legally adopted child of a member of this ~~system plan~~, the natural child of a female member of this ~~system plan~~, or the child of a male member of this ~~system plan~~ if a court of competent jurisdiction has made an order of filiation declaring the paternity of such a member for the child or if the name of the father appears on the birth certificate or if the father has formally acknowledged the child.

* * *

(21.1) "Plan" means the Louisiana School Employees' Retirement Plan and includes funds, mechanisms, rules, regulations, and rights relative to retirement established in this Part.

(22) "Prior service" means service rendered prior to July 1, 1947, for which credit is allowable under Subpart C of this Part III of this Chapter.

* * *

(24) "Retirement" means withdrawal from active service with a retirement allowance granted under the provisions of this ~~Chapter Part~~.

* * *

1 (26) "Retirement system" or "system" means ~~the Louisiana School~~
2 ~~Employees Retirement System established and described in R.S. 11:1001 the~~
3 ~~Teachers' Retirement System of Louisiana established in this Chapter, comprised~~
4 ~~of the Teachers' Retirement Plan and the Louisiana School Employees'~~
5 ~~Retirement Plan.~~

6 (27) "Spouse" means a person who is legally married to a member of this
7 system plan and shall not include a person who is legally separated from a
8 member of this system plan by a judgment of separation.

9 * * *

10 §1004. False statements or falsification of records; penalty; liability; correction
11 of errors

12 A. Any person who knowingly makes any false statement or falsifies or
13 permits to be falsified any record or records affecting this retirement system plan
14 in any attempt to defraud the same shall be fined not to exceed three hundred
15 dollars or imprisoned for not more than six months or both. Should any change or
16 error in the records result in any member or beneficiary receiving from the
17 retirement system plan more or less than he would have been entitled to receive
18 had the records been correct, the board of trustees shall make the necessary
19 corrections and adjustments in payment.

20 * * *

21 C. In the event payments made to a retired member or to his beneficiary
22 are greater than the member's contribution to the system plan and the member did
23 not actually drive the school bus as indicated on the checklist, then the retired
24 member, his beneficiary, the supervisor of transportation, the parish or city
25 superintendent, the school official signing the checklist, and the school board who
26 have knowingly falsified the reports mentioned in Subsections A and B shall be
27 liable for the excess amounts paid to the retired member or to his beneficiary.
28 The provisions of this Section shall be enforced by the attorney general and the
29 district attorney having proper jurisdiction upon the written request therefor of the
30 board of trustees. In the event action to enforce the provisions of this Section is
31 not taken within a reasonable period of time after the request of the board of
32 trustees, then the district attorney having jurisdiction in the parish where the
33 board of trustees is domiciled shall enforce the provisions of this Section upon the
34 written request of the board of trustees.

35 * * *

36 §1006. Reemployment of retirees

37 A.(1) Any service retiree of the Louisiana School Employees' Retirement
38 System Plan may be reemployed in any position covered by the system plan as a
39 full-time, part-time, temporary, or substitute employee subject to the provisions of
40 this Section.

41 * * *

42 B. If the earnings of the reemployed retiree in any fiscal year are in
43 excess of fifty percent of average compensation, an amount equal to the amount
44 of the earnings in excess of fifty percent of average compensation for the fiscal
45 year shall be repaid to the ~~retirement system plan~~, either through direct
46 reimbursement to the system plan or by suspension of benefits; however, the
47 repayment amount shall not exceed the amount of retirement benefits received by
48 the retiree for the fiscal year.

49 C. Should any employing agency fail to submit the report required by
50 Subsection A of this Section, the employing agency shall be liable to the
51 ~~retirement system plan~~ for the repayment of any overpayments to the retiree by
52 the system plan.

53 D. The provisions of this Section shall not apply to any retiree of this
54 system plan who retired from service as a bus driver, who returns to active service
55 in a full-time position as a bus driver covered by the provisions of this ~~Chapter~~
56 Part, and whose employer chooses to reemploy him pursuant to R.S. 11:1007.
57 The full-time reemployment of such retired bus drivers shall be governed by the
58 provisions of that Section.

59 §1007. Employment of retired bus drivers

1 such prior service upon entering the ~~system plan~~, provided he applies for
 2 membership on or before July 31, 1955.

3 §1112. Employees employed after December 31, 1946; election of coverage
 4 under ~~system plan~~

5 All persons who become employees after December 31, 1946, may
 6 become members of the retirement ~~system plan~~ provided that within one year
 7 from the date of their employment they file with the board of trustees on a form
 8 prescribed by it a notice of their election to be covered in the membership of the
 9 ~~system plan~~, together with their enrollment as a member, executed on a form
 10 prescribed by the board. Any such employee who fails to file notice of his
 11 election and his enrollment may become a member of the ~~system plan~~ at any
 12 future date, but he shall not be entitled to any prior service credit. Any employee
 13 who has failed to file this notice prior to July 28, 1948, but who does so within
 14 sixty days thereafter shall be privileged to become a member and as such shall be
 15 entitled to prior service credit.

16 §1114. Eligibility for membership in other public system; election of coverage

17 Employees who at the time ~~this system is the Louisiana School~~
 18 ~~Employees' Retirement System was established~~ are or were at any time entitled to
 19 become members of any other publicly funded retirement system shall not be
 20 entitled to membership in this retirement ~~system plan~~ unless on a date not more
 21 than one year next following the establishment of ~~this retirement system the~~
 22 ~~Louisiana School Employees' Retirement System~~ they ~~indicate~~ indicated by a
 23 notice filed with the board of trustees, on a form prescribed by it, their individual
 24 election and choice to participate in ~~this the~~ retirement system.

25 * * *

26 §1118. Other employment; membership

27 Notwithstanding any other provisions of law to the contrary, any active
 28 contributing member of this ~~system plan~~ who becomes engaged in employment
 29 which would normally require him to join and become a member of any other
 30 public retirement system, ~~plan~~, or fund shall have the option of joining and
 31 becoming a member of such other public retirement system, ~~plan~~, or ~~fund~~ and
 32 thereby cease to be a contributing member of this ~~system plan~~. If he terminates
 33 the employment which makes him eligible for membership in another public
 34 system, ~~plan~~, or fund he shall again become an active contributing member of this
 35 ~~system plan~~ as a condition of employment for as long as he is employed in a
 36 position which makes him eligible for membership in this ~~system plan~~.

37 §1119. Correction of membership errors

38 A. If a person is employed in a position in which he should have been
 39 enrolled in this ~~system plan~~ on the date of employment but was by error enrolled
 40 in another public retirement system ~~or plan~~, he shall have three years from the
 41 date of improper enrollment to transfer to this ~~system plan~~ if he is eligible for
 42 membership in this ~~system plan~~. He shall make application to ~~this system the~~
 43 ~~board~~ for the transfer within three years from the date of improper enrollment and
 44 the transferring system ~~or plan~~ shall transfer all employee and employer
 45 contributions made on his behalf plus interest compounded annually at the
 46 actuarial valuation rate of the transferring system ~~or plan~~. In the event the amount
 47 of employee and employer contributions plus interest transferred are not
 48 sufficient to pay the total employee and employer contributions that would have
 49 been paid to the ~~system plan~~ plus the interest that would have accrued
 50 compounded annually at the actuarial valuation rate had the member been
 51 properly enrolled, the employer shall pay any difference in the assets to be
 52 transferred to the ~~receiving system plan~~. In the event the amount of employee and
 53 employer contributions plus interest compounded annually at the actuarial
 54 valuation rate is more than that required to be transferred to the receiving system,
 55 the employee and employer shall be refunded the amount of the overpayment in
 56 proportion to their contributions. Upon payment of this sum, all of his service
 57 credit will be transferred to this ~~system plan~~.

58 B. If a person is employed in a position in which he should have been
 59 enrolled in this ~~system plan~~ on the date of employment but was by error enrolled

1 in another public retirement system or plan and has been a member of such
 2 system or plan for more than three years but is still eligible for membership in this
 3 system plan, he may transfer to this system plan but such transfer shall be totally
 4 governed by and be a transfer under the provisions of R.S. 11:143, provided,
 5 however that if the enrollment error is the total fault of the employer, the
 6 employer shall pay any difference in the assets to be transferred and the actuarial
 7 cost to the receiving system plan in order to transfer all eligible service credit. In
 8 the event the amount of employee and employer contributions plus interest
 9 compounded annually at the actuarial valuation rate is more than that required to
 10 be transferred under R.S. 11:143, the employee and the employer shall be
 11 refunded the amount of the overpayment in proportion to their contributions.

12 §1120. Members employed in other state or public employment

13 A. Notwithstanding any enrollment error occurring prior to January 1,
 14 1992, any person who is a member of the Louisiana School Employees'
 15 Retirement ~~System Plan~~, who has creditable membership service of at least five
 16 years in this system plan and who becomes employed in any other state or public
 17 employment where he is no longer eligible for membership in this system plan
 18 but is eligible for membership in the Teachers' Retirement ~~System of Louisiana~~
 19 Plan or the Louisiana State Employees' Retirement System, shall have the right to
 20 remain a member of this system plan in lieu of membership in the Teachers'
 21 Retirement ~~System of Louisiana Plan~~ or the Louisiana State Employees'
 22 Retirement System by filing a notice of election to remain in this system plan, in
 23 writing, with the board of trustees within thirty days after the effective date of
 24 employment. Such election shall be irrevocable.

25 B. Notwithstanding any enrollment error occurring prior to January 1,
 26 1992, any person who has five years of service credit in the Louisiana School
 27 Employees' Retirement ~~System Plan~~, or who has five years of combined service
 28 credit in such system and the Teachers' Retirement ~~System of Louisiana Plan~~, or
 29 the Louisiana State Employees' Retirement System, and who joined and is an
 30 active contributing member of the Teachers' Retirement ~~System of Louisiana Plan~~
 31 or the Louisiana State Employees' Retirement System because of a change in state
 32 or public employment shall, on January 1, 1992, be allowed for a period of one
 33 year from said effective date to again become a contributing member of the
 34 Louisiana School Employees' Retirement ~~System Plan~~ and be allowed to transfer
 35 his service credit in the Teachers' Retirement ~~System of Louisiana Plan~~ or the
 36 Louisiana State Employees' Retirement System to the Louisiana School
 37 Employees' Retirement ~~System Plan~~ under the provisions contained in R.S.
 38 11:143.

39 * * *

40 §1133. Credit for service as a defined "employee"

41 Any member of the Louisiana School Employees' Retirement ~~System Plan~~
 42 may receive credit for service as an employee, as defined in R.S. 11:1002,
 43 provided credit granted in another public supported retirement system or plan
 44 covering the same time is not in effect and provided he meets the requirements set
 45 forth below:

46 (1) Credit for service cancelled by the withdrawal of accumulated
 47 contributions by a member may be restored by the payment to the system plan of
 48 the amount withdrawn plus interest at the plan's board-approved actuarial
 49 valuation rate compounded annually from the date withdrawn until paid.

50 (2) In order to receive credit for "in service", except the restoration of
 51 cancelled credit therefor, for service rendered in any state agency in Louisiana or
 52 for service with a parish or city school board, payment shall be made to the
 53 retirement system plan an amount which, on an actuarial basis, totally offsets the
 54 increase in accrued liability of the system plan resulting from the receipt of the
 55 credit by the member. The amount payable shall be calculated by use of the
 56 actuarial funding method, assumptions, and tables in use by the system plan at the
 57 time of the member's application for credit. The employing agency, in its
 58 discretion, may pay not more than fifty percent of this amount. However, if it

1 makes such a payment, it shall then make such payment, in the same percentage,
2 with respect to all employees who make application for this credit.

3 (3) Payments to be made under the provisions of this Section shall be paid
4 prior to the effective date of retirement.

5 * * *

6 §1137. Credit for service as an employee

7 Any active, contributing member of this ~~system plan~~ may receive credit
8 for service rendered as an employee, for which credit is not maintained in any
9 other publicly supported retirement system or plan. In order to receive credit for
10 such service, payment shall be made to the ~~retirement system plan~~ of an amount
11 calculated in accordance with the provisions of R.S. 11:158; however, the
12 member shall have rendered service as an employee for a minimum of ninety
13 days and shall purchase a minimum of ninety days' service in order to avail
14 himself of the provisions of this Section. The amount of service credit shall be
15 limited to the actual number of days the member was employed by a school
16 board. Credit shall only be allowed for service for which the school board
17 maintained a record, and for which the school board certifies the correctness
18 thereof to the retirement system. All payments to be made under this Section
19 shall be paid prior to the effective date of retirement.

20 §1138. Reciprocity of credits

21 The board of trustees may provide for reciprocity of credits between this
22 ~~system plan~~ and any other state, parish, or city retirement system of Louisiana
23 supported partly or wholly by public funds.

24 §1139. Credit for support personnel service credit in other states

25 A.(1) Notwithstanding any other provisions of law to the contrary, any
26 member who has six months of creditable service in this ~~system plan~~ shall be
27 eligible to obtain credit for full-time service as an employee, as the term
28 "employee" is defined in R.S. 11:1002(13), rendered in any school system, public
29 or private, of this state or any other state, provided that service shall not be
30 credited to this ~~system plan~~ if the member already has credit for that service in
31 any other retirement system or plan.

32 (2) In order to receive such credit, the retirement system or plan in which
33 the member was enrolled while employed as an "employee" in another state shall
34 certify that the member does not have credit in that system or plan which
35 duplicates the credit being purchased in this system.

36 (3) To purchase credit for such service, the member shall apply to the
37 board of trustees of the system and shall furnish a detailed statement of all such
38 service, as the board may require. Additionally, the member shall pay an amount
39 calculated in accordance with the provisions of R.S. 11:158. The cost of such
40 service shall be paid in a lump sum, and the amount paid shall be credited to the
41 member's account in the Annuity Savings Fund.

42 B. The board of trustees shall promulgate rules and regulations regarding
43 the amount of such service which must be rendered to equal one year of credit in
44 this ~~system plan~~, but in no event shall more than one year of service be credited
45 for all service rendered in any one fiscal year.

46 C. Credit for such service shall not be granted in this fund if the member
47 is receiving a regular or disability retirement benefit based on such service.

48 * * *

49 §1141. Retirement benefits; application; eligibility requirements; effective date;
50 cancellation

51 * * *

52 B. Notwithstanding the provisions of Subsection A of this Section, in the
53 event a member of this ~~system plan~~ files an application for regular retirement, or
54 disability retirement with his employer which is a reporting agency and thereafter
55 terminates his employment, or files an application for retirement to participate in
56 the Deferred Retirement Option Plan with his employer which is a reporting
57 agency and thereafter continues his employment while participating in the
58 Deferred Retirement Option Plan with said employer and through error the
59 application is not promptly sent to this retirement system, upon receipt of the

1 application by this system, the board of trustees is hereby authorized upon
2 satisfactory proof to it, to pay the retirement benefit, to pay the disability
3 retirement benefit, or to begin making payments on behalf of the member into the
4 Deferred Retirement Option Plan Account based on an effective date of
5 retirement not more than ninety days prior to the actual receipt of the application
6 for retirement in the office of the system, but in no event prior to the date of
7 termination of employment.

8 C.(1)

9 * * *

10 (b) Any member who retires under the provisions of this Section shall not
11 be eligible for reemployment by the agency from which he retired, the ~~Louisiana~~
12 ~~School Employees' Retirement System~~ Teachers' Retirement System of
13 Louisiana, any public school system, or any special education district for a period
14 of five years.

15 (2) Any person who elects to retire under the provisions of this Section
16 shall have included in the actuarial reduction of his benefits such an amount,
17 subject to any change in premium amounts or classifications that are applicable to
18 other retirees, which shall be proportionate to the cost to the Louisiana School
19 Employees' Retirement ~~System Plan~~ resulting from retirement under this Section,
20 and that amount shall be transferred to the Louisiana School Employees'
21 Retirement ~~System Plan~~ to offset such cost, until he attains the earliest eligibility
22 for regular retirement, at which time his benefits shall be the same as a person
23 who retired under the provisions of regular retirement.

24 * * *

25 §1144. Retirement allowance; regular, minimum, and supplemental

26 * * *

27 B.

28 * * *

29 (3) In the event that the funded status of this ~~system plan~~ should fall
30 below one hundred percent, the employee contribution rate shall be increased in
31 an amount sufficient to fund any cost to the system resulting from the application
32 of the benefit accrual rates provided for in Paragraphs (1) and (2) of this
33 Subsection, with the loss being amortized in accordance with the provisions of
34 R.S. 11:102(B)(3)(d)(i).

35 * * *

36 C. Supplementary allowance. For all members whose service retirement
37 becomes effective on or after July 1, 1971, the following additional or
38 supplementary pension benefit shall be payable: a pension of twenty-four dollars
39 per annum, or two dollars per month for each year of accredited service. This
40 supplementary benefit shall be limited to an amount which when added to the
41 benefit otherwise provided shall provide a total benefit which shall not be in
42 excess of the average compensation, as determined under R.S. 11:231. In the
43 event that the funded status of this ~~system plan~~ should fall below one hundred
44 percent, the employee contribution rate shall be increased in an amount sufficient
45 to fund the additional cost to the ~~system plan~~ of the supplemental allowance, with
46 the loss being amortized in accordance with the provisions of R.S.
47 11:102(B)(3)(d)(i).

48 * * *

49 §1145.1. Employee Experience Account

50 A.(1) The Employee Experience Account shall be credited as follows:

51 (a) To the extent permitted by Paragraph (2) of this Subsection, an
52 amount not to exceed fifty percent of the prior year's net investment experience
53 gain as determined by the ~~system's plan's~~ actuary.

54 (b) To the extent permitted by Paragraph (2) of this Subsection, an
55 amount not to exceed that portion of the ~~system's plan's~~ net investment income
56 attributable to the balance in the Employee Experience Account during the prior
57 year.

58 * * *

59 B. The Employee Experience Account shall be debited as follows:

1 (1) An amount equal to that portion of the ~~system's plan's~~ net investment
2 loss attributable to the balance in the Employee Experience Account during the
3 prior year.

4 * * *

5 C.(1) In accordance with the provisions of this Section, the board of
6 trustees may recommend to the president of the Senate and the speaker of the
7 House of Representatives that the ~~system plan~~ be permitted to grant a
8 cost-of-living adjustment to retirees and beneficiaries whenever the balance in the
9 Employee Experience Account is sufficient to fully fund such benefit on an
10 actuarial basis, as determined by the ~~system's plan's~~ actuary. If the legislative
11 actuary disagrees with the determination of the ~~system's plan's~~ actuary, a
12 cost-of-living adjustment shall not be granted. The board of trustees shall not
13 grant a cost-of-living adjustment as provided in this Subsection unless such
14 cost-of-living adjustment has been approved by the legislature by concurrent
15 resolution adopted by the favorable vote of a majority of the elected members of
16 each house. Any such cost-of-living adjustment shall be limited to and shall only
17 be payable based on an amount not to exceed eighty-five thousand dollars of the
18 retiree's annual benefit; however, effective for years after July 1, 2007, the
19 eighty-five thousand dollar limit shall be increased each year in an amount equal
20 to the increase in the Consumer Price Index (United States city average for all
21 urban consumers (CPI-U)), as prepared by the United States Department of
22 Labor, Bureau of Labor Statistics, for the preceding calendar year, if any. Any
23 cost-of-living adjustment granted pursuant to the provisions of this Subsection
24 shall begin on July first following legislative approval, shall be payable annually,
25 and shall equal an amount not to exceed the lesser of:

26 * * *

27 (4)

28 * * *

29 (c) The provisions of Items (a)(ii) and (b)(ii) of this Paragraph shall not
30 apply to any person who receives disability benefits from this ~~system plan~~ or who
31 receives benefits based on the death of a disability retiree of this ~~system plan~~.

32 D. The cost-of-living increase which is authorized by Subsection C of this
33 Section shall be limited to the lesser of either two percent or an amount
34 determined as provided in Paragraph (C)(2) of this Section in or for any year in
35 which the ~~system plan~~ does not earn the required actuarial rate of return as
36 certified by the ~~system's plan's~~ actuary.

37 * * *

38 §1147. Disability retirement

39 * * *

40 B.

41 * * *

42 (3)(a) A person whose ~~system plan~~ membership began on or before June
43 30, 2006, applying for a disability benefit shall have five years of actual credited
44 service in order to qualify for a disability benefit. A member shall not use credit
45 earned while receiving workers' compensation or while on extended leave, special
46 leave, or advanced leave in order to meet the prescribed minimum five-year
47 eligibility requirement; however, any member receiving workers' compensation
48 prior to January 1, 1991, shall be allowed to use credit earned while receiving
49 workers' compensation to meet the minimum five-year eligibility requirement.

50 (b) A person whose ~~system plan~~ membership began on or after July 1,
51 2006, applying for a disability benefit shall have ten years of actual credited
52 service in order to qualify for a disability benefit. A member shall not use credit
53 earned while receiving workers' compensation or while on extended leave, special
54 leave, or advanced leave in order to meet the prescribed minimum ten-year
55 eligibility requirement.

56 C.

57 * * *

58 (2)(a)(i) A disability retiree whose membership in the ~~system plan~~ began
59 on or before June 30, 2006, who is not eligible to receive a regular service

1 retirement allowance shall receive a disability retirement allowance equal to two
2 and one-half percent of his average compensation multiplied by his years of
3 creditable service, but not less than thirty-three and one-third percent of his
4 average compensation, and he shall not be allowed an optional allowance.

5 (ii) A disability retiree whose membership in the ~~system plan~~ began on or
6 after July 1, 2006, but on or before June 30, 2010, who is not eligible to receive a
7 regular service retirement allowance and who has at least ten years of creditable
8 service, shall receive a disability retirement allowance equal to three percent of
9 his average compensation multiplied by his years of creditable service.

10 * * *

11 §1149. Contributions of members out of service for five years

12 Whenever a member who has less than ten years of service credit has been
13 out of service for five years without having applied for a refund of contributions,
14 the retirement system shall transmit to him by certified mail, return receipt
15 requested, at his last known address, a notification of his rights with respect to the
16 refund of contributions, his rights to leave the contributions in the ~~system plan~~ if
17 he plans to reenter service, and his rights to use the contributions for reciprocity if
18 he becomes a member of another system or plan. If the retirement system does
19 not receive any response to the notification within ninety days of mailing, the
20 contributions to which the member is entitled shall be placed to the credit of the
21 pension accumulation fund. Upon a valid request for a refund of contributions,
22 such refund will be made from the pension accumulation fund.

23 * * *

24 §1151.1. Survivors' benefits; members hired on or after July 1, 2010

25 A. Survivor benefits shall be due and payable by the ~~system plan~~ effective
26 the first day of the next month following the death of a member whose first
27 employment making him eligible for membership in one of the state systems
28 occurred on or after July 1, 2010, but shall not be paid until a properly completed
29 and acceptable application is received by the system and all proper certifications
30 have been received by the system.

31 * * *

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

42 * * *

43 E. The accumulated contributions of a deceased member shall be paid in a
44 lump sum refund to the natural person or persons that he designated as his
45 beneficiary, or to his succession if there is no designated beneficiary, but only if
46 no benefits under Subsection A, B, C, D, F, or G of this Section are payable.
47 Payment of accumulated contributions shall be made only upon receipt of the
48 deceased member's death certificate. The payment to the named beneficiary or
49 the estate cancels all liability of the ~~system plan~~ to the deceased member, his
50 named beneficiary, or his estate.

51 * * *

52 J. In the case of a death of a member occurring on or after January 1,
53 2007, while performing qualified military service, as defined in Section 414(u) of
54 the Internal Revenue Code, eligibility for survivor benefits under this Section
55 shall be determined as if the member had resumed employment and then
56 terminated employment on account of death. The retirement ~~system plan~~ will
57 credit the member's qualified military service as service for vesting purposes and
58 for eligibility computation purposes as though the member, if eligible to, had met
59 the definition of employee under the retirement ~~system plan~~ and had resumed

1 employment under the Uniformed Services Employment and Reemployment
 2 Rights Act (Chapter 43 of Title 38, United States Code) immediately prior to the
 3 member's death. The time spent by the member in unqualified military service
 4 shall not count for benefit accrual purposes (creditable service) but will count
 5 only for eligibility purposes under this Section.

6 §1152. Deferred Retirement Option Plan

7 * * *

8 E. Upon the effective date of the commencement of participation in the
 9 plan, active membership in the ~~regular retirement plan of the system~~ Louisiana
 10 School Employees' Retirement Plan shall terminate, and the participant shall be
 11 considered by the ~~system board~~ to be in a retired status. Employee and employer
 12 contributions to the regular retirement plan shall cease upon the effective date of
 13 the person's commencement of participation in the plan. For purposes of this
 14 Section, average compensation and creditable service shall remain as they existed
 15 on the effective date of commencement of participation in the plan. Creditable
 16 service shall not include conversion of sick and annual leave. The monthly
 17 retirement benefits that would have been payable, had the person elected to cease
 18 employment and receive a service retirement allowance, shall be paid into the
 19 Deferred Retirement Option Plan Fund Account which shall be a part of the
 20 ~~system plan~~ fund. This account shall not be subject to any fees, costs, or expenses
 21 of any kind.

22 F.(1) A person who participates in the plan shall not be eligible to receive
 23 a cost-of-living increase while participating, and shall not be eligible for a cost-
 24 of-living increase until the employment which made the person eligible to
 25 become a member of the ~~system regular retirement plan~~ has been terminated for
 26 at least one full calendar year.

27 (2) The ~~system board~~ shall maintain subaccounts within this account
 28 reflecting the credits attributed to each participant in the plan, but the monies in
 29 the account shall remain a part of the fund until disbursed to a participant in
 30 accordance with the plan provisions.

31 (3) Interest shall not be credited to a participant's subaccount during the
 32 period of participation. With respect to any individual who was eligible to
 33 participate in the Deferred Retirement Option Plan prior to January 1, 2004, all
 34 amounts which remain credited to the individual's subaccount after termination of
 35 participation in the plan shall be credited with interest at the end of each plan year
 36 at a rate equal to the realized return on the system's portfolio for that plan year as
 37 certified by the system actuary in his actuarial report, less one-half of one percent.
 38 With respect to any individual who becomes eligible to participate in the Deferred
 39 Retirement Option Plan on or after January 1, 2004, all amounts which remain
 40 credited to the individual's subaccount after termination of participation in the
 41 plan shall be placed in liquid asset money market investments at the discretion of
 42 the board of trustees. Such subaccounts may be credited with interest at the
 43 actual rate of return earned on such subaccount investments less one-fourth of one
 44 percent per annum; or at the option of the ~~system board~~, the funds may be
 45 credited to subaccounts as herein established:

46 (a) The contributing period shall mean that time period when funds are
 47 being credited to the participant's subaccount which is maintained by the ~~system~~
 48 board.

49 (b) After the contributing period ends, the balance of the subaccount then
 50 may be transferred to a self-directed subaccount, which shall be known as the
 51 investment period. Both subaccounts shall be within the Deferred Retirement
 52 Option Plan established herein. Management of the funds shall be ~~by the system~~
 53 the same as that of the regular retirement plan funds during the contributing
 54 period. When the funds are transferred to the self-directed subaccount for the
 55 investment period, the ~~system board~~ is authorized to hire a ~~third party~~ third-party
 56 provider. The ~~third party~~ third-party provider shall act as an agent of the ~~system~~
 57 board for purposes of investing balances in the self-directed subaccounts of the
 58 participant as directed by the participant. The participant shall be given such
 59 options that comply with federal law for self-directed plans.

1 (c) The participant in the self-directed portion of this plan agrees that the
 2 benefits payable to the participant are not the obligations of the state, the plan, or
 3 the system, and that any returns and other rights of the plan are the sole liability
 4 and responsibility of the participant and the designated provider to which
 5 contributions have been made. Furthermore, each participant, in accordance with
 6 this provision, shall expressly waive his rights as set forth in Article X, Section
 7 29(A) and (B) of the Louisiana Constitution as it relates to his subaccount in the
 8 self-directed portion of the plan. By participating in the self-directed portion of
 9 the plan, the participant agrees that he and the provider shall be responsible for
 10 complying with all applicable provisions of the Internal Revenue Code. The
 11 participant also agrees that if any violation of the Internal Revenue Code occurs
 12 as a result of the participant's participation in the self-directed portion of the plan,
 13 it shall be the sole responsibility and liability of the participant and the provider,
 14 not the state, the plan, or the system. There shall be no liability on the part of and
 15 no cause of action of any nature shall arise against the state, the plan, the system,
 16 or its agents or employees, for any action taken by the participant for choices the
 17 participant makes in relationship to the funds in which he chooses to place his
 18 subaccount balance.

19 * * *

20 J. Monthly retirement benefits payable to a participant after termination
 21 of participation in the plan and employment shall be calculated as follows:

22 * * *

23 (3)(a) If the participant, whose first employment making him eligible for
 24 membership in the ~~system plan~~ system plan began on or before June 30, 2006, continues
 25 employment after termination of participation in the plan for a period of less than
 26 thirty-six months, his monthly retirement benefit shall equal his base benefit plus
 27 an amount based upon the service credit for the additional employment, together
 28 with conversion of the net amount of sick and annual leave accumulated during
 29 that period of employment, based upon the final average compensation used to
 30 calculate the monthly credit.

31 (b) If the participant, whose first employment making him eligible for
 32 membership in the ~~system plan~~ system plan began on or after July 1, 2006, continues
 33 employment after termination of participation in the plan for a period of less than
 34 sixty months, his monthly retirement benefit shall equal his base benefit plus an
 35 amount based upon the service credit for the additional employment, together
 36 with conversion of the net amount of sick and annual leave accumulated during
 37 that period of employment, based upon the final average compensation used to
 38 calculate the monthly credit.

39 (4)(a) If the participant, whose first employment making him eligible for
 40 membership in the ~~system plan~~ system plan began on or before June 30, 2006, continues
 41 employment after termination of participation in the plan for a period of thirty-six
 42 months or more, his monthly retirement benefit shall equal his base benefit plus
 43 an amount based upon the service credit for the additional employment, together
 44 with conversion of the net amount of sick and annual leave accumulated during
 45 that period of employment, based upon the higher of the final average
 46 compensation when the member entered the plan or for the period of employment
 47 after termination of participation in the plan.

48 (b) If the participant, whose first employment making him eligible for
 49 membership in the ~~system plan~~ system plan began on or after July 1, 2006, continues
 50 employment after termination of participation in the plan for a period of sixty
 51 months or more, his monthly retirement benefit shall equal his base benefit plus
 52 an amount based upon the service credit for the additional employment, together
 53 with conversion of the net amount of sick and annual leave accumulated during
 54 that period of employment, based upon the higher of the final average
 55 compensation when the member entered the plan or for the period of employment
 56 after termination of participation in the plan.

57 * * *

58 L. If the participant remains employed for a period of less than thirty
 59 calendar days after termination of participation in the ~~plan~~ Deferred Retirement

1 Option Plan, the participant shall not be reenrolled in the ~~system~~ Louisiana
2 School Employees' Retirement Plan, contributions to the retirement system shall
3 cease, and no additional service credit shall be credited to the member's account.

4 * * *

5 §1172. Deduction of employee benefit contributions from retiree benefit checks
6 Notwithstanding any other provision of law to the contrary, the retiree
7 contributions for accident and health and life insurance coverage to be paid by
8 any retiree, beneficiary, or survivor participating in a group insurance plan who
9 receives a recurring benefit payment from this ~~system plan~~ may be deducted from
10 the benefit payment if the deduction is made for all retirees and their survivors
11 who participate in the group plan. Such deduction may be affected by the use of
12 magnetic media prepared and furnished by the participating city or parish school
13 board in a form processible by the retirement system's computer facility. The
14 retirement system shall remit such deductions directly to the city or parish school
15 board in periodic lump sums. Such deductions may only be made after approval
16 by the board of trustees ~~of the Louisiana School Employees' Retirement System~~
17 and only when the system has adequate facilities and staff to make the deductions
18 and only if no additional costs are imposed upon the retirement ~~system plan~~.

19 * * *

20 §1181. Investment of funds by board of trustees; limitations and restrictions;
21 interest

22 A. The board of trustees shall be the trustees of the several funds of the
23 ~~system plan~~ and shall have full power to invest and reinvest available funds and to
24 hold, purchase, sell, assign, transfer, and dispose of any of the securities and
25 investments of the ~~system plan~~ and proceeds thereof provided that the action is
26 taken in compliance with rules and regulations established by the board of
27 trustees and in accordance with the provisions of R.S. 11:263. The board of
28 trustees may adopt rules to further restrict investments of funds.

29 B. The board of trustees annually shall allow interest on the mean amount
30 for the preceding year in each of the funds except the expense fund and the
31 annuity savings fund. The amount so allowed shall be due and payable to said
32 funds and shall be annually credited thereto by the board from interest and other
33 earnings on the ~~moneys monies~~ of the retirement ~~system plan~~. Any additional
34 amount required to meet the interest on the funds of the retirement ~~system plan~~
35 shall be paid from the pension accumulation fund, and any excess of earnings
36 over such amount required shall be paid to the pension accumulation fund.
37 Interest to be allowed shall be determined by the board on the basis of the interest
38 earnings of the ~~system plan~~ for the preceding year.

39 * * *

40 §1193. Pension accumulation fund; description and composition; normal and
41 accrued liability contributions, determination

42 A. The pension accumulation fund is the fund in which shall be
43 accumulated all reserves for the payment of all pensions and other benefits
44 payable from contributions made by the state of Louisiana and by local school
45 boards. Contributions to and payments from the pension accumulation fund shall
46 be made as follows:

47 (1)

48 * * *

49 (b) The rate per centum of said contributions shall be fixed on the basis of
50 the liabilities of the retirement ~~system plan~~ as shown by actuarial valuation.

51 (2)(a) On the basis of regular interest and of such mortality and other
52 tables as shall be adopted by the board of trustees, the actuary engaged to make
53 each valuation required by this ~~Chapter Part~~ during the period over which the
54 accrued liability contribution is payable, immediately after making such
55 valuation, shall determine the uniform and constant percentage of the earnable
56 compensation of the average new entrant, which, if contributed on the basis of
57 compensation of such new entrant throughout his entire period of active service,
58 would be sufficient to provide for the payment of any pension payable on his

1 account. The rate per centum so determined shall be known as the "normal
2 contribution" rate.

3 * * *

4 (4) Each employer shall transmit monthly, by the fifteenth day after the
5 end of each month, a checklist report setting forth necessary salary and deduction
6 information as shall be required by the board of trustees. If any reporting agency
7 submits a checklist which is in error as to the salary of any member and such
8 error results in overpayment of benefits by the ~~system plan~~, the agency shall be
9 liable to the ~~Louisiana School Employees' Retirement System plan~~ for the amount
10 of the overpayment and shall reimburse the ~~system plan~~ for the full amount of all
11 such overpayments within thirty days after discovery of the error of overpayment.

12 B. The pension accumulation fund shall be credited as follows:

13 * * *

14 (3) Interest, dividends, profits, and other income derived from investment
15 of the ~~system's plan's~~ funds.

16 * * *

17 §1195.1. Unfunded accrued liability; payment by employer

18 A. Notwithstanding any other provision of law, if an employer terminates
19 a group of employees belonging to this ~~system plan~~ by eliminating the positions
20 held by those employees through privatizing, outsourcing, contracting the service
21 with a private employer, or any other means, then the employer shall remit that
22 portion of the unfunded accrued liability existing on June thirtieth, immediately
23 prior to the date of termination attributable to the employees being terminated.

24 B. Each employer shall report to the retirement plan on all employees
25 whose positions have been eliminated as provided in Subsection A of this
26 Section. Such reports shall be submitted by October fifteenth of each year on a
27 form provided by the retirement plan. In order to ensure compliance and
28 accuracy of the report, the plan shall have the right to audit the records of the
29 employer upon reasonable notice.

30 ~~B. C.~~ The amount due shall be determined by the actuary ~~employed by~~
31 ~~the system for the plan~~ and shall be amortized over ten years. The amount shall
32 be paid in equal monthly payments, in the same manner as regular payroll
33 payments to the ~~system plan~~.

34 ~~C. D.~~ Should the employer fail to make a payment timely, then the amount
35 due shall be collected in the same manner as authorized by R.S. 11:1202.

36 §1195.2. Unfunded accrued liability; payment by employer; any position

37 A. Notwithstanding any other provision of law, if an employer eliminates
38 any position covered by this plan through privatizing, outsourcing, contracting the
39 service with a private employer, or any other means, then the employer shall
40 remit that portion of the unfunded accrued liability existing on June thirtieth,
41 immediately prior to the date of termination of the employee in that position,
42 which is attributable to that position.

43 B. Each employer shall report to the retirement plan on all positions that
44 have been eliminated as provided in Subsection A of this Section. Such reports
45 shall be submitted by October fifteenth of each year on a form provided by the
46 retirement plan. In order to ensure compliance and accuracy of the report, the
47 plan shall have the right to audit the records of the employer upon reasonable
48 notice.

49 ~~B. C.~~ The amount due shall be determined by the actuary ~~employed by~~
50 ~~the system for the plan~~ and shall be amortized over ten years. The amount may
51 be paid in a lump sum or equal monthly payments with interest at the actuarial
52 rate in the same manner as regular payroll payments to the system, at the option
53 of the employer.

54 ~~C. D.~~ Should the employer fail to make a payment timely, then the amount
55 due shall be collected in the same manner as authorized by R.S. 11:1202.

56 * * *

57 §1202. Failure to timely remit contributions; effect

58 A.

* * *

(2) Upon a certification to the state treasurer or the Department of Education by the board of trustees ~~of the School Employees' Retirement System of Louisiana~~ that a payment is delinquent, the state treasurer or the Department of Education shall deduct the amount thereof from any monies then available for distribution to or for the benefit of that parish or city school board, college or university, or vocational and technical school or other agency or employer and shall transmit said amount directly to the board of trustees.

* * *

(4) In like manner the board of trustees ~~of the system~~, upon receipt of said funds, shall credit such funds to the account of the members affected thereby and shall notify the school board or other authority thereof.

* * *

C. All payments of employers' contributions and employees' contributions, including any payments due from the state of Louisiana, which are paid after becoming delinquent shall include interest to be paid to the retirement system plan at the system's plan's assumed actuarial valuation rate of interest computed from the date the payment became delinquent.

Section 2. R.S. 701(33)(d) as enacted by and 728(C)(1)(a) and (b)(ii) and (iii) and (2)(a) as amended and reenacted by Act No. 999 of the 2010 Regular Session of the Legislature are hereby amended and reenacted to read as follows:

§701. Definitions

As used in this Chapter, the following words and phrases have the meanings ascribed to them in this Section unless a different meaning is plainly required by the context:

* * *

(33)

* * *

(d) "Teacher" shall also mean any employee of a charter school whose approved charter agreement requires continued active membership in the system plan for the duration of the member's charter school employment.

* * *

§728. Prior service credit

* * *

C.(1)(a) Notwithstanding any other provision of this ~~Chapter Part~~ or of any other law to the contrary, any person who is a member of this system plan shall be eligible to obtain credit in this system plan for teaching service rendered in any charter school, nonpublic college or university in Louisiana, or state approved elementary or secondary nonpublic or parochial school in Louisiana.

(b)

* * *

(ii) In addition, if the member is eligible to retire at the time he establishes credit for such service, there shall be paid into the system plan an amount equal to the present value of the additional retirement benefit payable on account of his service in charter schools or nonpublic or parochial schools or colleges should he retire at the time credit for such service is established.

(iii) If the member is not eligible to retire at the time he establishes credit for service in charter schools or nonpublic or parochial schools or colleges, there shall be paid into the system plan an amount which, if invested at regular interest, would accumulate to an amount equal to the present value of the additional retirement benefit payable on account of his service in charter schools or nonpublic or parochial schools or colleges should the member continue until the earliest date he is eligible to retire.

(2)(a) In determining the present value of the additional benefit payable on account of service in charter schools or nonpublic or parochial schools or colleges and the amounts to be paid for credit for such service, regular interest, salary scales used to project future salary increases, and the tables of the system plan as adopted by the board of trustees shall be utilized.

* * *

1 Section 3. R.S. 11:4(A)(1)(c), 22(B)(5), 42(B)(4), 62(4), 154(A)(3), 158(B)(6),
 2 173(A)(3), 174(B)(3), 181(A)(3), 185(A)(3), 234(A)(5), 262(5), 272(A)(3), 281(A)(2),
 3 312(A)(5), 323(A)(1), 730, 831, 1001(C), 1162 through 1165, 1166 through 1171, and
 4 1173 are hereby repealed in their entirety.

5 Section 4. Notwithstanding any provision of this Act to the contrary, members
 6 elected pursuant to R.S. 11:1162(A)(6) who are serving on June 29, 2012 shall serve as
 7 elected members representing the Louisiana School Employees' Retirement Plan
 8 members under this Act for the remainder of their terms. Upon expiration of any such
 9 term, the vacancy shall be filled pursuant to the provisions of this Act.

10 Section 5. The terms of office of any member serving on the Louisiana School
 11 Employees' Retirement System board of trustees upon the effective date of this Act are
 12 terminated upon the effective date of this Act and the board shall be dissolved and its
 13 duties and functions assumed by the Teachers' Retirement System of Louisiana as
 14 provided in this Act.

15 Section 6.(A) Upon the effective date of this Act, all obligations, property,
 16 records, and employees of the Louisiana School Employees' Retirement System shall
 17 transfer to the Teachers' Retirement System of Louisiana, as amended by this Act. No
 18 provision of this Act shall be construed to impair any contract of the Louisiana School
 19 Employees' Retirement System in place on the effective date of this Act. Any such
 20 contract shall be honored by the Teachers' Retirement System of Louisiana as though the
 21 board of trustees had obligated itself to such contract.

22 (B) The board of trustees for the Teachers' Retirement System of Louisiana, as
 23 amended by this Act, shall complete the transfer of all administrative functions from the
 24 Louisiana School Employees' Retirement System within one year after the effective date
 25 of this Act.

26 (C) Upon the effective date of this Act, all members of the Teachers Retirement
 27 System of Louisiana as it existed on June 29, 2012, shall automatically become members
 28 of the Teachers' Retirement Plan. Upon the effective date of this Act, all members of the
 29 Louisiana School Employees' Retirement System as it existed on June 29, 2012, shall
 30 automatically become members of the Louisiana School Employees' Retirement Plan.
 31 Each member's creditable service in his system shall be transferred to his respective plan.

32 Section 7. The board of trustees, as defined in this Act, shall eliminate a total of at
 33 least thirty administrative positions within eighteen months after the effective date of this
 34 Act. At least fifteen positions shall be eliminated within nine months after the effective
 35 date of this Act, and at least an additional fifteen positions shall be eliminated by the end
 36 of the subsequent nine-month period. The director of the Teachers' Retirement System of
 37 Louisiana, as amended by this Act, shall have the authority to terminate the employment
 38 of any employee merged into the Teachers' Retirement System.

39 Section 8. The board of trustees, as defined in this Act, shall prepare a report on
 40 consolidation of the plans and experience accounts of both plans within the system and
 41 shall include estimates for the savings resulting from such consolidation and any other
 42 relevant considerations. The report shall be presented to the Public Retirement Systems'
 43 Actuarial Committee no later than June 28, 2013, and the Public Retirement Systems'
 44 Actuarial Committee shall consider the report and issue recommendations to the
 45 legislature no later than December 31, 2013.

46 Section 9.(A) As soon as practicable after the effective date of this Act, the
 47 Public Retirement Systems' Actuarial Committee shall meet to adopt a revised valuation
 48 for the system prepared as provided in R.S. 11:102. This valuation shall include a
 49 revised employer contribution rate for each plan within the system to be utilized in the
 50 fiscal year which begins on July 1, 2012. This valuation shall incorporate all changes
 51 enacted by the legislature in the 2012 Regular Session of the Legislature of Louisiana.

52 (B) The Public Retirement Systems Actuarial Committee is hereby authorized to
 53 adopt an actuarial valuation or revised employer contribution rate to be utilized in the
 54 fiscal year which begins on July 1, 2012, calculated in accordance with R.S. 11:102,
 55 which has been prepared on behalf of the division of administration by a Member of the
 56 American Academy of Actuaries who meets the qualification requirements of the
 57 academy to issue a particular Statement of Actuarial Opinion.

58 Section 10. Because the legislature finds and declares that questions of law may
 59 be raised concerning provisions of this Act, the public welfare requires that such

1 questions of law be expeditiously resolved prior to such time as its provisions take effect
 2 to avoid disruption of the orderly implementation of its provisions. Therefore, the
 3 legislature finds that an expedited hearing schedule for actions filed relative to this Act
 4 should be immediately made available in order to avoid confusion by the public. Venue
 5 for any action shall be in the Nineteenth Judicial District. In there interest of further
 6 expediting this procedure, courts are urged to minimize all unnecessary delays and to
 7 resolve any questions of law no later than thirty days prior to the prefiling deadline for
 8 retirement legislation for the 2013 regular legislative session. The courts may suspend
 9 all applicable rules of court for this limited purpose.

10 Section 11. The Louisiana State Law Institute shall redesignate the Parts of
 11 Chapter 2 of Subtitle II of Title 11 of the Louisiana Revised Statutes of 1950 as Subparts
 12 of Part I and shall redesignate the Parts of Chapter 3 of Subtitle II of Title 11 of the
 13 Louisiana Revised Statutes of 1950 as Subparts of Part II of Chapter 2 of Subtitle II of
 14 Title 11 of the Louisiana Revised Statutes of 1950. The Institute shall further make
 15 appropriate technical changes to Chapter 2 of Subtitle II of Title 11 of the Louisiana
 16 Revised Statutes of 1950, as amended by this Act, as are necessary to accomplish the
 17 consolidation of the Teachers' Retirement System of Louisiana and the Louisiana School
 18 Employees' Retirement System as provided in this Act including but not limited to
 19 redesignating existing Parts as Subparts and existing Subparts as Divisions.

20 Section 12. No provision of this Act shall affect the effectiveness of the
 21 provisions of Part VII-A, Part VII-B, Part VII-C, Subpart B of Part VIII, Part X, or Part
 22 XI of Chapter 2 of Subtitle II of Title 11 of the Revised Statutes of 1950, as such
 23 provisions were designated prior to redesignation pursuant to Section 11 of this Act,
 24 except that to the extent provisions thereof remain effective, they shall do so as
 25 components of the Teachers' Retirement Plan as created in this Act.

26 Section 13.(A) The provisions of Section 2 of this Act shall become effective
 27 when the Teachers' Retirement System of Louisiana is in receipt of a private letter ruling
 28 issued by the Internal Revenue Service, pursuant to request dated March 15, 2010,
 29 concluding that the provisions of Act No. 999 of the 2010 Regular Session of the
 30 Legislature will not adversely affect the status of the Teachers' Retirement System of
 31 Louisiana as a qualified governmental plan under the Internal Revenue Code.

32 (B) The provisions of this Act except for Section 2 shall become effective at
 33 midnight on June 30, 2012."