

Regular Session, 2012
HOUSE BILL NO. 1048
BY REPRESENTATIVE POPE

ACT No. 510

1 AN ACT

2 To amend and reenact R.S. 11:701(10), 761(A)(3)(b), 768(A)(2) and (B)(2)(introductory
3 paragraph), and 786(A)(1) and to enact R.S. 11:785 and 927(E), relative to the
4 Teachers' Retirement System of Louisiana; to provide with respect to tax-
5 qualification of such system; to make certain changes to such system's provisions in
6 conformity with federal tax-qualification provisions; to provide effective dates; and
7 to provide for related matters.

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

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 11:701(10), 761(A)(3)(b), 768(A)(2) and (B)(2)(introductory
13 paragraph), and 786(A)(1) are hereby amended and reenacted and R.S. 11:785 and 927(E)
14 are hereby enacted to read as follows:

15 §701. Definitions

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

19 * * *

20 (10) "Earnable compensation" means the compensation earned by a member
21 during the full normal working time as a teacher. Earnable compensation shall
22 include any differential wage payment, as defined by 26 U.S.C. 3401(h)(2), which

1 is made by an employer to any individual performing qualified military service.
 2 Earnable compensation shall not include per diem, post allowances, payment in kind,
 3 hazardous duty pay, or any other allowance for expense authorized and incurred as
 4 an incident to employment, nor payments in lieu of unused sick or annual leave, nor
 5 retroactive salary increases unless such increase was granted by legislative act or by
 6 a city/parish systemwide salary increase, nor payment for discontinuation of
 7 contractual services, unless the payment is made on a monthly basis. If a member
 8 is granted an official leave and he makes contributions for the period of leave,
 9 ~~"earnable compensation"~~ earnable compensation shall not include compensation paid
 10 for other employment which would not have been possible without the leave. The
 11 board of trustees shall determine whether or not any other payments are to be
 12 classified as earnable compensation.

* * *

14 §761. Retirement benefits; application; eligibility requirements; effective date;
 15 cancellation; errors and omissions

16 A.

17 * * *

18 (3) Any person whose first employment making him eligible for membership
 19 in one of the state systems occurred on or after January 1, 2011, may retire upon
 20 written application to the board of trustees, if at the time of application the member:

21 * * *

22 (b) Has twenty years of service credit at any age, exclusive of ~~military~~
 23 ~~service and~~ unused annual and sick leave and military service other than qualified
 24 military service as provided in 26 U.S.C. 414(u) earned on or after December 12,
 25 1994, but any person retiring under this Subparagraph shall have his benefit,
 26 inclusive of military service credit and allowable unused annual and sick leave,
 27 actuarially reduced from the earliest age that he would normally become eligible for
 28 a regular retirement benefit under Subparagraph (a) of this Paragraph if he had
 29 continued in service to that age. Any member who elects to retire under the
 30 provisions of this Subparagraph shall not be eligible to participate in the Deferred

1 Retirement Option Plan provided by R.S. 11:786 or the Initial Lump-Sum Benefit
2 option provided by R.S. 11:783.

3 * * *

4 §768. Retirement allowances

5 A.

6 * * *

7 (2) Notwithstanding the provisions of Paragraph (1) of this Subsection, any
8 member who retires on or after July 1, 1997, who became a member prior to July 1,
9 1999, and who has attained the age of sixty-five years and has credit for at least
10 twenty years of creditable service, exclusive of ~~military service~~, unused accumulated
11 sick leave, ~~and~~ unused accumulated annual leave, and military service other than
12 qualified military service as provided in 26 U.S.C. 414(u) earned on or after
13 December 12, 1994, or any of these, or who has attained the age of fifty-five years
14 and has credit for at least twenty-five years of creditable service, exclusive of unused
15 accumulated sick leave and unused accumulated annual leave, or who has credit for
16 at least thirty years of creditable service at any age, exclusive of unused accumulated
17 sick leave and unused accumulated annual leave, shall receive an annual benefit
18 which provides an allowance equal to two and one-half percent of his average
19 earnable compensation, multiplied by the number of years of creditable service, plus
20 a sum of three hundred dollars. The referenced additional sum of three hundred
21 dollars shall ~~only be applicable~~ be applicable only with respect to persons becoming
22 members prior to July 1, 1986.

23 * * *

24 B.

25 * * *

26 (2) Notwithstanding the provisions of Paragraph (1) of this Subsection, any
27 person who became a member on or after July 1, 1999, whose first employment
28 making him eligible for membership in one of the state systems occurred on or
29 before December 31, 2010, having twenty years of service credit, exclusive of
30 ~~military service and~~ unused annual and sick leave and military service other than

1 qualified military service as provided in 26 U.S.C. 414(u) earned on or after
2 December 12, 1994, but who is less than sixty years of age, may retire but he shall
3 have his maximum benefit inclusive of military service credit and allowable unused
4 annual and sick leave actuarially reduced from the earlier of the following:

5 * * *

6 §785. Compliance with certain federal and state provisions relating to qualified
7 military service

8 A. Notwithstanding any other provision of law to the contrary, effective
9 December 12, 1994, contributions, benefits, and service credit in this system with
10 respect to qualified military service shall be governed by the Uniformed Services
11 Employment and Reemployment Rights Act of 1994, 26 U.S.C. 414(u), and Part VI
12 of Chapter 2 of Title 29 of the Louisiana Revised Statutes of 1950.

13 B. Effective January 1, 2007, 26 U.S.C. 401(a)(37), as enacted by the Heroes
14 Earnings Assistance and Relief Tax Act of 2008, is hereby adopted as part of the
15 retirement system law.

16 C. Effective January 1, 2009, 26 U.S.C. 3401(h)(2), as enacted by the Heroes
17 Earnings Assistance and Relief Tax Act of 2008, is hereby adopted as part of the
18 retirement system law.

19 * * *

20 §786. Deferred Retirement Option Plan

21 A.(1) In lieu of terminating employment and accepting a retirement
22 allowance, any member of this system whose first employment making him eligible
23 for membership in one of the state retirement systems occurred on or before
24 December 31, 2010, and who is not covered by R.S. 11:801 and who has thirty years
25 of service credit at any age, twenty-five years of service credit and is at least age
26 fifty-five, or has twenty years of service credit exclusive of military service other
27 than qualified military service as provided in 26 U.S.C. 414(u) earned on or after
28 December 12, 1994, and is at least age sixty-five may elect to participate in the
29 Deferred Retirement Option Plan. A member with ten years of service credit
30 exclusive of military service other than qualified military service as provided in 26

1 U.S.C. 414(u) earned on or after December 12, 1994, and who is at least age sixty
2 may elect to participate in the plan, but all benefits payable at any time shall ~~only~~ be
3 calculated using only a two percent benefit formula.

4 * * *

5 §927. Contributions

6 * * *

7 E. Effective January 1, 2009, to the extent required by 26 U.S.C. 414(u)(12),
8 any differential wage payment, as defined by 26 U.S.C. 3401(h)(2), of which is made
9 by any employer to any individual performing qualified military service shall be
10 treated as earnable compensation for purposes of applying the limits on annual
11 additions under 26 U.S.C. 415(c), and any participant of the optional retirement plan
12 shall be treated as an employee of the employer making such payment.

13 Section 2. This Act shall become effective on July 1, 2012; if vetoed by the governor
14 and subsequently approved by the legislature, this Act shall become effective on July 1,
15 2012, or on the day following such approval by the legislature, whichever is later.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____