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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Laura Gail Sullivan.

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## DIGEST

Present law provides that a regular member of the Louisiana State Employees' Retirement System (LASERS) is eligible to retire and receive a benefit of 2.50% of average compensation for each year of service credit if he has:

- (1) 10 years of service credit at age 60; or
- (2) 25 years of service credit at age 55; or
- (3) 30 years of service credit at any age.

Proposed law retains present law, but between Dec. 1, 2005, and Jan. 31, 2006, would provide a reduced benefit of 2.25% of average compensation for each year of service credit for LASERS members not eligible for regular retirement including persons who have been furloughed, terminated, or placed on leave without pay due to the budget reductions required by hurricanes Katrina and Rita, but who are at least age 50 with a minimum of 10 years of service credit and who retire within the given time frame.

Proposed law would provide that any person to whom proposed law would otherwise apply who retired on or after November 1, 2005 with an actuarially reduced benefit under the provisions of present law shall, upon application to the LASERS board of trustees, have his retirement benefit recalculated under the provisions of proposed law, so long as his application for recalculation is received by the system on or before January 31, 2006.

Provisions of proposed law would not apply to those groups of state employees whose benefits are calculated with an accrual rate higher than 2.50%.

Proposed law would provide that all unused accumulated sick and annual leave of a person retiring under the provisions of proposed law shall be converted to retirement credit and no payment shall be made for any unused leave by any state agency except LASERS. Proposed law would further provide that the individual may choose at the time of retirement to receive a lump sum benefit payment from LASERS for up to 300 hours of converted leave. Proposed law would provide that the lump-sum benefit payment would be calculated based on the person's rate of pay on the date he left state service and not based on average compensation.

Proposed law would provide for the division of administration to report to the Joint Legislative Committee on the Budget by March 1, 2006, regarding the positions vacated and fiscal savings created by proposed law.

Proposed law would provide that positions within the executive branch of state government

which are caused to be vacated by proposed law, directly or indirectly, shall not be filled, except upon approval of the division of administration and in accordance with the rules and regulations of the Civil Service Commission. Proposed law would further provide that before approval by the division of employment of a new person from outside the agency or outside state service, the agency shall attempt to refill the vacancy from within the agency or in cooperation with the Civil Service Commission transfer employees from another agency to refill the vacancy, still subject to approval of the division.

Proposed law additionally would provide that in no case shall any department within the executive branch of state government refill more than 25% of the positions caused to be vacated by the provisions of proposed law. Proposed law would provide that the division of administration shall make quarterly reports to the Joint Legislative Committee on the Budget on the number of positions which have been filled by the hiring of new employees or by transfer from another agency, and the salaries of those employees.

Proposed law would provide that a person who elects to retire under the provisions of proposed law who is reemployed in a position making him eligible for LASERS shall have his benefit suspended and no supplemental benefit shall be earned while he is so employed.

Proposed law provides that the legislature shall appropriate annually out of the general fund or any budget surplus an amount equal to 10% of the reduction in the general fund expenditures attributable to workforce reductions under proposed law to make an additional payment to LASERS for purposes of reducing the unfunded accrued liability that existed on June 30, 1988.

Effective upon signature of the governor or lapse of time for gubernatorial action.