

Regular Session, 2013

HOUSE BILL NO. 39

BY REPRESENTATIVE STUART BISHOP

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

RETIREMENT/ASSESSORS: Provides relative to retirement eligibility and benefits for new members of the La. Assessors' Retirement System

1 AN ACT

2 To amend and reenact R.S. 11:1421 and 1422(B) and to enact R.S. 11:1422(C), relative to
3 the Louisiana Assessors' Retirement Fund; to provide relative to retirement eligibility
4 and benefits for new members; and to provide for related matters.

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

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 11:1421 and 1422(B) are hereby amended and reenacted and R.S.
10 11:422(C) is hereby enacted to read as follows:

11 §1421. Eligibility for normal retirement

12 A. All members of the fund hired on or before September 30, 2013, who
13 ~~have twelve years or more years of creditable service and who have attained the age~~
14 ~~of fifty-five years or over~~ shall be eligible for participation in the benefits of this
15 fund upon written application for such allowance to the board of trustees if:-

16 (1) The member has twelve years or more of creditable service and has
17 attained the age of fifty-five.

18 (2) The member has thirty or more years of creditable service, regardless of
19 age.

1 B. All members of the fund with at least thirty years of creditable service in
2 the fund shall be eligible for participation in benefits of this fund upon written
3 application for such allowance to the board of trustees. All members of the fund
4 hired on or after October 1, 2013, shall be eligible for participation in benefits of this
5 fund upon written application for such allowance to the board of trustees if:

6 (1) The member has twelve or more years of creditable service and has
7 attained the age of sixty.

8 (2) The member has thirty or more years of creditable service and has
9 attained the age of fifty-five.

10 §1422. Computation of normal retirement benefit

11 * * *

B. Any member whose first employment making him eligible for membership in the system began on or after October 1, 2006, but before October 1, 2013, and who is eligible for normal retirement shall, upon making written application to the board of trustees, be retired, and shall be paid a monthly sum equal to three and one-third percent of the highest monthly average final compensation received during any sixty consecutive months while employed in an assessor's office or other creditable employment times the number of years of the member's creditable service not to exceed one hundred percent of the member's monthly average final compensation after taking into account the reduction arising from any optional retirement selected.

C.(1) Except as provided in Paragraph (2) of this Subsection, any member whose first employment making him eligible for membership in the system began on or after October 1, 2013, and who is eligible for normal retirement but who has less than thirty years of creditable service shall, upon making written application to the board of trustees, be retired, and shall be paid a monthly sum equal to three percent of the highest monthly average final compensation received during any sixty consecutive months while employed in an assessor's office or other creditable employment times the number of years of the member's creditable service not to

1 exceed one hundred percent of the member's monthly average final compensation
 2 after taking into account the reduction arising from any optional retirement selected.

3 (2) Any member whose first employment making him eligible for
 4 membership in the system began on or after October 1, 2013, who retires with thirty
 5 or more years of credible service shall be paid a monthly sum equal to three and one-
 6 third percent of the highest monthly average final compensation received during any
 7 sixty consecutive months while employed in an assessor's office or other creditable
 8 employment times the number of years of the member's creditable service not to
 9 exceed one hundred percent of the member's monthly average final compensation
 10 after taking into account the reduction arising from any optional retirement selected.
 11 Transferred service with an accrual rate of less than three and one-third percent shall
 12 not be used to meet the requirement of thirty or more years of creditable service
 13 unless the member exercised his right to upgrade such transferred service pursuant
 14 to R.S. 11:143(D).

15 Section 2. The provisions of this Act shall become effective on July 1, 2013; if
 16 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 17 effective on July 1, 2013, or on the day following such approval by the legislature,
 18 whichever is later.

DIGEST

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

Stuart Bishop

HB No. 39

Abstract: Establishes a new tier of benefits and different retirement eligibility for members of the La. Assessors' Retirement Fund (LARF) hired on and after Oct. 1, 2013.

Present law creates the LARF system and provides relative to the benefits and requirements of being a member thereof. Proposed law retains present law.

Under present law, normal retirement benefits are calculated pursuant to the following equation: accrual rate x years of service x monthly final average compensation.

Proposed law retains the present law calculation.

Present law establishes two "tiers" for members of LARF.

(1) For members hired on or before Sept. 30, 2006, the following apply:

- (a) The "monthly final average compensation" is the average of the member's salary during their 36 highest compensated months of employment.
- (b) Eligibility for retirement is:
 - (i) 12 years or more of service, at age 55.
 - (ii) 30 years or more of service, at any age.
- (c) The accrual rate for these members is 3.33%.

(2) For members hired on or after Oct. 1, 2006, the following apply:

- (a) The "monthly final average compensation" is the average of the member's salary during their 60 highest compensated months of employment.
- (b) Eligibility for retirement and the accrual rate are the same as for members hired on or before Sept. 30, 2006.

Proposed law retains present law. Proposed law further adds a new tier for members, those hired on or after Oct. 1, 2013. For these new members, the following apply:

- (1) The "monthly final average compensation" is the same as for members hired on or after Oct. 1, 2006.
- (2) Eligibility for retirement is:
 - (a) 12 years of service or more, at age 60.
 - (b) 30 years of service or more, at age 55.
- (3) The accrual rate for these members will be:
 - (a) 3% if the member retires with less than 30 years of service.
 - (b) 3.33% if the member retires with 30 or more years of service. Service credit transferred into the system at an accrual rate lower than 3.33% may not be used to gain the 3.33% accrual rate unless the member paid to upgrade the service credit at the time of the transfer, pursuant to present law.

Effective July 1, 2013.

(Amends R.S. 11:1421 and 1422(B); Adds R.S. 11:1422(C))