

Regular Session, 2014

SENATE BILL NO. 30

BY SENATOR CORTEZ

STATE EMPLOYEE RET. Provides for technical corrections. (2/3 - CA10s29(F)) (6/30/14)

1 AN ACT

2 To amend and reenact R.S. 11:446(F), 450(B), and 471.1(G), relative to the Louisiana State
3 Employees' Retirement System; to specify procedures related to payment for and of
4 benefits; to provide for options, contributions, and eligibility; to provide for an
5 effective date; and to provide for related matters.

6 Notice of intention to introduce this Act has been published.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 11:446(F), 450(B), and 471.1(G) are hereby amended and reenacted
9 to read as follows:

10 §446. Mode of payment where option elected

11 * * *

12 F. If the member is married, the designated beneficiary for a qualified joint
13 and survivor annuity and any Deferred Retirement Option Plan benefits payable in
14 accordance with law shall be his spouse, unless such spouse has consented to the
15 contrary in writing before a notary public, or such spouse cannot be located and the
16 member submits an original affidavit signed by him before a notary public which
17 evidences good faith efforts to locate the spouse. If the member does not select a

1 joint and survivor annuity option and fails to provide such a spousal consent at the
2 time of his retirement ~~and his spouse survives him~~, then for the purposes of a
3 retirement benefit option the system shall establish the benefit as if the member had
4 selected the Option 3 joint and survivor annuity as provided in Paragraph ~~(3)~~ of
5 ~~Subsection (A)~~**(3)** of this Section. For purposes of this Paragraph, "spouse" shall
6 mean that person who is married to the member under a legal regime of community
7 of acquets and gains on his effective date of retirement or effective date of
8 participation in the Deferred Retirement Option Plan, whichever is earlier.

9 * * *

10 §450. Termination of participation

11 * * *

12 B. Upon termination of participation in the plan but not employment, credits
13 to the account shall cease and no retirement benefits shall be paid to the participant
14 until employment is terminated. The balance in the participant's subaccount shall be
15 placed in a self-directed subaccount in the name of the participant as provided for in
16 R.S. 11:451.1, and the participant shall then be bound by the provisions of said
17 Section. No payment shall be made based on credits in the subaccount until
18 employment is terminated as defined in this Section. The participant may continue
19 employment after termination of participation in the plan for the sole purpose of
20 accruing a supplemental benefit, and employer and employee contributions shall
21 resume. ~~Correction officers, probation and parole officers, and security officers of~~
22 ~~the Department of Public Safety and Corrections; peace officers of the Department~~
23 ~~of Public Safety and Corrections, office of state police, other than state troopers, as~~
24 ~~provided in R.S. 11:444(A)(2)(b); and personnel employed by the Department of~~
25 ~~Revenue, office of alcohol and tobacco control, as provided in R.S. 11:444(A)(2)(c);~~
26 **Participants** who have ended their participation in the Deferred Retirement Option
27 Plan but not employment shall make contributions at the rate established in R.S.
28 11:62~~(5)~~**(b)**.

29 * * *

§471.1. Survivors' benefits; members hired on or after January 1, 2011

* * *

G. If a member dies, even after retirement, eligible ~~minor~~ children shall receive the benefits under Subsection C of this Section.

* * *

Section 2. The actuarial cost of this Act, if any, shall be funded with increased employer contributions in accordance with Article X, Section 29(F) of the Constitution of Louisiana.

Section 3. This Act shall become effective on June 30, 2014; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on June 30, 2014, or on the day following such approval by the legislature, whichever is later.

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

DIGEST

Cortez (SB 30)

Present law relative to the Louisiana State Employees' Retirement System (LASERS) provides for election of an actuarially equivalent benefit in lieu of a maximum benefit, allowing the member who is retiring to designate a beneficiary to continue to receive a lifetime annuity after the member's death. Specifies that for a married member, the designated beneficiary is the person's spouse unless the spouse has consented to the contrary in writing.

In the absence of spousal consent, present law requires LASERS to establish the member's benefit as if the member had selected to designate a spouse who survives him to receive 50% of the member's annuity.

Proposed law retains present law. Clarifies that the establishment of this option occurs at the time of retirement.

Present law provides for contributions to resume if a Deferred Retirement Option Plan (DROP) participant continues in employment. Specifies that for certain public safety employees, the contribution rate shall be the rate prescribed in present law.

Proposed law retains present law and clarifies that the present law rates are applicable to every position covered by LASERS.

Present law provides for survivor benefits for a member's spouse and certain children. Provides for payment of the benefits to a child if that child is a minor or is handicapped or mentally disabled.

Present law further provides for the benefits under present law to be paid to eligible minor children even if the LASERS member is retired at the time of death.

Proposed law retains present law and extends these benefits to all eligible children.

Effective June 30, 2014.

(Amends R.S. 11:446(F), 450(B), and 471.1(G))