

Regular Session, 2014

SENATE BILL NO. 25

BY SENATOR GUILLORY

SCHOOL EMPLOYEES RET. Provides for administration of the system. (2/3 - CA10s29(F)) (6/30/14)

AN ACT

To amend and reenact R.S. 11:1142, 1147(C)(2)(a)(ii), 1151(F)(1), 1151.1(A) and (C)(1), and 1206, to enact R.S. 11:1132.1, and to repeal R.S. 11:162(D), 1002(11), and 1144(A)(2), relative to the administration of the Louisiana School Employees' Retirement System; to provide for recovery of overpayments; to provide for disability and survivor benefits for certain members; to provide for technical corrections; to provide for an effective date; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:1142, 1147(C)(2)(a)(ii), 1151(F)(1), 1151.1(A) and (C)(1), and 1206 are hereby amended and reenacted and R.S. 11:1132.1 is hereby enacted to read as follows:

§1132.1. Administrative errors; collections

A. Effective July 1, 2014, the right to collect any benefit paid to an individual to whom the benefit was not due resulting from an administrative error by the system shall apply only to amounts paid during the thirty-six-month period immediately preceding the date on which notice of such

1 error is sent to the member, except in the case of fraud.

2 B. Notwithstanding the provisions of Subsection A of this Section, if the
3 individual receiving the payment committed a fraud against the system, the
4 right to collect such fraudulent payment shall extend to the entire amount of
5 overpayment obtained through fraud.

6 C. Recovery of any amount paid to an individual to whom the benefit
7 was not due, collected as provided in this Section, shall be in accordance with
8 the provisions of R.S. 11:192.

9 * * *

10 §1142. Withdrawal from service ~~after ten years~~; retirement allowance at age sixty
11 ~~vesting~~

12 A. Any member whose first employment making him eligible for
13 membership in one of the state systems occurred on or before June 30, 2010,
14 who has ~~credit~~ for ten or more years of ~~regular, full-time~~ creditable service, may
15 withdraw from service and elect to leave his accumulated contributions in the system
16 and upon reaching age sixty, he shall be eligible to receive a retirement allowance
17 based on the credits he had at the time of his withdrawal from service.

18 B. Any member whose first employment making him eligible for
19 membership in one of the state systems occurred on or after July 1, 2010, who
20 has five or more years of creditable service, may withdraw from service and
21 elect to leave his accumulated contributions in the system and upon reaching
22 age sixty, he shall be eligible to receive a retirement allowance based on the
23 credits he had at the time of his withdrawal from service.

24 * * *

25 §1147. Disability retirement

26 * * *

27 C.(1)

* * *

28 (2)(a)(i)

* * *

29 (ii) A disability retiree whose membership in the system began on or after

July 1, 2006, but whose first employment making him eligible for membership in one of the state systems occurred on or before June 30, 2010, who is not eligible to receive a regular service retirement allowance and who has at least ten years of creditable service, shall receive a disability retirement allowance equal to three percent of his average compensation multiplied by his years of creditable service.

* * *

§1151. Survivor benefits; members hired on or before June 30, 2010

* * *

F.(1) No ~~beneficiary or beneficiaries~~ survivor or nonretiree beneficiary shall receive more than one survivor's benefit at any one time. Whenever two or more survivor benefits are payable, the survivors shall receive the larger benefit as long as it is payable; ~~then~~ Thereafter, the survivor shall receive the other benefit, if the survivor is still eligible.

* * *

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

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

(2) No survivor or nonretiree beneficiary shall receive more than one survivor benefit at any one time. Whenever two or more survivor benefits are payable, the survivor shall receive the larger benefit as long as it is payable. Thereafter, the survivor shall receive the other benefit, if the survivor is still eligible.

* * *

C.(1) In addition to the amount payable in accordance with Subsection B of this Section, for the benefit of the surviving minor child, or children, there shall be

1 paid for each such child, subject to a maximum of two children, per month fifty
 2 percent of the benefit to which a spouse would be entitled under Subsection B of this
 3 Section. Benefits shall be payable to such children even if no spouse eligible for
 4 survivor benefits is present, provided the member had at least five years of service
 5 credit. Benefits for a child shall cease when the child is no longer a minor child as
 6 defined by this Chapter. ~~No surviving minor child shall receive more than one~~
 7 ~~survivor's benefit at any one time. If two benefits are applicable, only the larger shall~~
 8 ~~be paid.~~

9 * * *

10 §1206. Employee contributions; discontinuance

11 The retirement benefits provided by this Part shall not annually exceed one
 12 hundred percent of average compensation, and when a member has ~~earned~~ **accrued**
 13 **a** benefits equal to one hundred percent of his average compensation, no further
 14 contributions shall be required of him. However, the employer shall continue to pay
 15 employer contributions to the system.

16 Section 2. R.S. 11:162(D), 1002(11), and 1144(A)(2) are repealed.

17 Section 3. The cost of this Act, if any, shall be funded through employer
 18 contributions, in compliance with Article X, Section 29(F) of the Constitution of Louisiana.

19 Section 4. This Act shall become effective on June 30, 2014; if vetoed by the
 20 governor and subsequently approved by the legislature, this Act shall become effective on
 21 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 Margaret M. Corley.

DIGEST

Guillory (SB 25)

Present law (R.S. 11:192) requires all state and statewide retirement systems to recover overpayments of benefits.

Proposed law authorizes the Louisiana School Employees' Retirement System (LSERS) to recover overpayments paid during the 36-month period immediately preceding the date notice of such error is sent to the member, except in the case of fraud. Provides that, in the case of fraud, the right to collect the overpayment extends to the full amount.

Present law, due to a technical error, does not provide for a disability benefit for LSERS

members whose first employment making them eligible for state system membership occurred on or before June 30, 2010.

Proposed law corrects the technical error, providing these members with eligibility for disability benefits after 10 years of service credit and a benefit equal to 3% of his average compensation multiplied by his years of service.

Proposed law provides for other technical corrections to present law applicable to the LSERS.

Effective June 30, 2014.

(Amends R.S. 11:1142, 1147(C)(2)(a)(ii), 1151(F)(1), 1151.1(A) and (C)(1), and 1206; adds R.S. 11:1132.1; and repeals R.S. 11:162(D), 1002(11), and 1144(A)(2))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Retirement to the original bill

1. Present law provides that any member who has ten or more years of regular service may withdraw from service and elect to leave his contributions in the system and upon reaching age 60, he may be eligible to receive a retirement allowance based on the credits he had at the time of his withdrawal from service.
2. Proposed law provides that any member whose first employment making him eligible for membership in one of the state systems occurred on or before June 30, 2012, who has ten or more years of regular service may withdraw from service and elect to leave his contributions in the system and upon reaching age 60, he may be eligible to receive a retirement allowance based on the credits he had at the time of his withdrawal from service.
3. Proposed law provides that any member whose first employment making him eligible for membership in one of the state systems occurred on or after June 30, 2012, who has five or more years of regular service may withdraw from service and elect to leave his contributions in the system and upon reaching age 60, he may be eligible to receive a retirement allowance based on the credits he had at the time of his withdrawal from service.