

Regular Session, 2014

**Approved
4-24-14**

HOUSE STUDY REQUEST NO. 1

BY REPRESENTATIVE PEARSON

RETIREMENT BENEFITS: Requests the House Committee on Retirement to study the deferral of benefits

1 A STUDY REQUEST

2 To request the House Committee on Retirement to study utilizing incremental growth
3 factors, similar to those used by the Social Security Administration, for benefits
4 deferred by state retirement system members and to report its findings to the House
5 of Representatives prior to the convening of the 2015 Regular Session of the
6 Legislature of Louisiana.

7 WHEREAS, when a member of a state retirement system severs employment and
8 exercises his right to his accrued benefit, the retirement system must begin paying such
9 benefit immediately; and

10 WHEREAS, the retiree has no incentive to delay receipt of his benefits and the
11 system must pay regardless of whether market conditions have generated enough interest
12 earnings to fund such benefits; and

13 WHEREAS, the federal government allows a citizen who has attained his full
14 retirement age without collecting his Social Security retirement benefits to defer receipt of
15 such benefits until he reaches age seventy, and during such period of deferral, the benefit
16 increases each year at a set percentage rate; and

17 WHEREAS, this practice has been in place at the federal level since 1972; and

18 WHEREAS, implementing a similar mechanism may save the state retirement
19 systems money, over time, due to the decreased amount of time the system would have to
20 pay full benefits to the retiree or beneficiary; and

1 WHEREAS, such incremental increases in retiree benefits may also be beneficial to
2 the retiree.

3 THEREFORE, the House of Representatives of the Legislature of Louisiana requests
4 the House Committee on Retirement to study utilizing incremental growth factors, similar
5 to those used by the Social Security Administration, for benefits deferred by state retirement
6 system members and to report its findings to the House of Representatives prior to the
7 convening of the 2015 Regular Session of the Legislature of Louisiana.

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)]

Pearson

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Requests the House Committee on Retirement to study utilizing incremental growth factors, similar to those used by the Social Security Administration, for benefits deferred by state retirement system members and to report its findings prior to the 2015 R.S.