

2026 Regular Session

HOUSE BILL NO. 32

BY REPRESENTATIVE EGAN

RETIREMENT/STATE EMPS: Provides relative to the Louisiana State Employees'
Retirement System

1 AN ACT

2 To amend and reenact R.S. 11:224, 403(15), 405, 407, 444(A)(1)(a)(i) and (2)(b)(i)(bb) and
3 (C)(introductory paragraph), and 446(F), relative to the Louisiana State Employees'
4 Retirement System; to provide relative to restoration to active service of a disability
5 retiree; to provide for definitions; to provide relative to exemption of certain benefits
6 from execution; to provide relative to the correction of administrative errors; to
7 provide relative to the computation and payment of benefits; and to provide for
8 related matters.

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

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 11:224, 403(15), 405, 407, 444(A)(1)(a)(i) and (2)(b)(i)(bb) and
14 (C)(introductory paragraph), and 446(F) are hereby amended and reenacted to read as
15 follows:

16 §224. Restoration to active service

17 If any disability retiree of a state or statewide retirement system who is under
18 the age of ~~sixty years~~ for regular retirement is restored to active service, his
19 retirement allowance shall cease, he shall again become a member of the retirement
20 system, and he shall contribute thereafter at the current rate in effect at the time he

1 is restored to service, and if he contributes for at least three years, the period of time
2 on disability shall be counted as accredited service for purposes of establishing
3 retirement eligibility, but not for computation of benefits. Any prior service
4 certificate on which his service was computed at the time of his retirement shall be
5 restored to full force and effect and, in addition, upon his subsequent retirement he
6 shall be credited with all his service as a member. This Section shall apply to all
7 disability retirees, regardless of the date they qualified for a disability retirement
8 benefit.

9 * * *

10 §403. Definitions

11 The following words and phrases used in this Chapter shall have the
12 following meanings, unless a different meaning is clearly required by the context:

13 * * *

14 (15) "Job appointment" means ~~employment for a fixed period not to exceed~~
15 ~~two years.~~ a temporary appointment of an employee to fill a position for a period of
16 time as set forth in rules adopted by the State Civil Service Commission.

17 * * *

18 §405. Exemption from execution; exception

19 Any annuity, retirement allowance or benefit, or refund of contributions, or
20 any optional benefit or any other benefit paid or paid to any person under the
21 provisions of this Chapter is exempt from any state or municipal tax and is exempt
22 from levy and sale, garnishment, attachment, or any other process whatsoever,
23 except as provided in R.S. 11:292 and 293, and is unassignable.

24 * * *

25 §407. Correction of administrative error

26 Except as expressly provided otherwise in this Chapter, the director may,
27 upon written documentation that an administrative error has occurred in the
28 administration of this system, which documentation shall be submitted to the board
29 of trustees ~~at the next board meeting~~, whether such administrative error was

committed by this system or otherwise, correct such administrative error and may make all adjustments relative to such correction.

* * *

§444. Computation of retirement benefit

A.(1)(a)(i) A member who retires effective on or after July 1, 1973, shall receive a maximum retirement allowance equal to two and one-half percent of average compensation, ~~as determined under R.S. 11:231~~ pursuant to R.S. 11:403, for every year of creditable service, plus three hundred dollars.

* * *

(2)

* * *

(b) Peace officers, as defined by R.S. 40:2402(3)(a), employed by the Department of Public Safety and Corrections, office of state police, other than state troopers, whose first employment making them eligible for membership in one of the state systems occurred on or before December 31, 2010, shall receive a maximum retirement allowance in accordance with the following:

(i)

* * *

(bb) Any person employed as a peace officer by the Department of Public Safety and Corrections ~~as determined under R.S. 11:231~~, on or before June 30, 2006, who was participating in the Deferred Retirement Option Plan on June 30, 2007, or who had continued in employment as of such date after completion of plan participation shall have his base benefit recalculated to reflect the increase in benefits provided pursuant to Subitem (aa) of this Item. The balance in his plan account and any subsequent contributions to such account shall be increased to reflect such benefit increase.

* * *

C. The retirement benefit of any member of this system who is not a qualified participant, as defined in Paragraph (B)(2) of this Section, when expressed

1 as an annual benefit may not exceed the lesser of either the annual benefit authorized
2 by Section 415(d) of the United States Internal Revenue Code or one hundred
3 percent of such member's average compensation for his highest three ~~years~~ or five
4 years as provided in R.S. 11:403. For purposes of determining whether a member's
5 benefit exceeds the limitations of this Subsection, the following shall apply:

6 * * *
7 §446. Mode of payment where option elected

8 * * *

9 F. If the member is married, the designated beneficiary for a qualified joint
10 and survivor annuity and any Deferred Retirement Option Plan benefits payable in
11 accordance with law shall be his spouse, unless such spouse has consented to the
12 contrary in writing before a notary public, or such spouse cannot be located and the
13 member submits an original affidavit signed by him before a notary public which
14 evidences good faith efforts to locate the spouse. If the member does not select a
15 joint and survivor annuity option and fails to provide such a spousal consent at the
16 time of his retirement, then for the purposes of a retirement benefit option the system
17 shall establish the benefit as if the member had selected the Option 3 joint and
18 survivor annuity as provided in Paragraph (A)(3) of this Section. For purposes of
19 this ~~Paragraph~~ Subsection, "spouse" shall mean that person who is married to the
20 member under a legal regime of community of acquets and gains on his effective
21 date of retirement or effective date of participation in the Deferred Retirement
22 Option Plan, whichever is earlier.

23 * * *

24 Section 2. Any cost of this Act shall be funded by additional employer contributions
25 in compliance with article X, Section 29 (F) of the Constitution of Louisiana.

26 Section 3. This Act shall become effective on July 1, 2026; if vetoed by the
27 governor and subsequently approved by the legislature, this Act shall become effect of
28 July 1, 2026, or on the day following such approval by the legislature, 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)]

HB 32 Original

2026 Regular Session

Egan

Abstract: Provides relative to administration of the La. State Employees' Retirement System.

Present law provides that any disability retiree of a state or statewide retirement system who is under the age of 60 and who is restored to active service becomes a member of the system again.

Proposed law changes the age 60 requirement to the regular retirement age as provided in present law.

Present law provides that *regular retirement* means:

- (1) For those hired on or before June 30, 2006:
 - (a) 30 years of service at any age.
 - (b) 25 years or more of service at age 55.
 - (c) 10 years or more of service at age 60.
 - (d) 20 years of service at any age with an actuarial reduction.
- (2) For those hired on or after July 1, 2006:
 - (a) Five years of service at age 60.
 - (b) 20 years of service at any age with an actuarial reduction.
- (3) For those hired on or after July 1, 2011, and on or before June 30, 2015, including any judge, court officer, governor, lieutenant governor, clerk or sergeant-at-arms of the House of Representatives, secretary or sergeant-at-arms of the Senate, or state treasurer:
 - (a) Five years of service at age 60.
 - (b) 20 years of service at any age with an actuarial reduction.
- (4) For those hired on or after July 1, 2015:
 - (a) Five years of service at age 62.
 - (b) 20 years of service at any age with an actuarial reduction.

Proposed law retains present law.

Present law provides for the definition of "job appointment" to mean employment for a fixed period not to exceed two years.

Proposed law changes the definition of "job appointment" to mean a temporary appointment of an employee to fill a position for a period of time as set forth in rules adopted by the State Civil Service Commission.

Present law provides that the following are exempt from any state or federal tax and exempt from levy and sale, garnishment, attachment or any process except for those related to seizure of child support or certain felony convictions as provided in present law:

- (1) Annuity.
- (2) Retirement allowance or benefit.
- (3) Refund of contributions.
- (4) An optional benefit paid to a beneficiary.

Proposed law adds the present law forfeiture of retirement benefits for public corruption crimes to present law exception.

Present law provides that documentation of administrative errors be presented to the board of trustees at the next board meeting.

Proposed law removes the requirement that administrative errors be presented at the next board meeting.

Proposed law changes references in present law relative to calculation of benefits to refer to present law (R.S. 11:403).

Present law provides that the retirement benefit of a member of the system who is not a qualified participant as defined in present law, may not exceed the lesser of:

- (1) The annual benefit authorized by present federal law.
- (2) 100% of the member's average compensation for his highest three years.

Proposed law provides that the member's average compensation is calculated on his highest three or five years as provided in present law.

Proposed law makes technical corrections.

Proposed law requires that any cost of proposed law be funded with additional employer contributions in compliance with present constitution (Art. X, Sec. 29(F)).

Effective July 1, 2026.

(Amends R.S. 11:224, 403(15), 405, 407, 444(A)(1)(a)(i) and (2)(b)(i)(bb) and (C)(intro. para.), and 446(F))