

Regular Session, 2009

HOUSE BILL NO. 586

BY REPRESENTATIVES DOERGE, CORTEZ, HENDERSON, HOFFMANN, LAFONTA, MONTOUCET, POPE, AND ROBIDEAUX AND SENATORS CROWE, B. GAUTREAUX, AND KOSTELKA

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

RETIREMENT BENEFITS: Relative to the Teachers' Retirement System of Louisiana (TRSL) and the Louisiana State Employees' Retirement System (LASERS), grants a minimum benefit increase to certain retirees, beneficiaries, and survivors

1 AN ACT

2 To enact R.S. 11:542.1.1 and 883.3, relative to the Louisiana State Employees' Retirement
3 System and the Teachers' Retirement System of Louisiana; to provide a minimum
4 benefit increase to certain retirees, beneficiaries, and survivors; to provide for
5 funding; to provide an effective date; and to provide for related matters.

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

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:542.1.1 and 883.3 are hereby enacted to read as follows:

11 §542.1.1 Minimum benefit increase; payment from experience account

12 A. A monthly minimum benefit increase shall be payable to:

13 (1) Each retiree of the system who, on June 30, 2009, meets all of the
14 following criteria:

15 (a) He has thirty or more years of service credit, exclusive of unused leave.

16 (b) He has been retired for fifteen years or more.

17 (c) He receives a monthly retirement benefit of less than one thousand two
18 hundred dollars.

19 (d) He is at least sixty years of age.

1 (e) He has neither participated in the Deferred Retirement Option Plan
2 pursuant to R.S. 11:447 nor chosen an Initial Benefit Option pursuant to R.S.
3 11:446(A)(5).

4 (2) Each nonretiree beneficiary receiving a benefit on June 30, 2009, who,
5 as of June 30, 2009, meets all of the following criteria:

6 (a) The deceased member had thirty or more years of service credit exclusive
7 of unused leave.

8 (b) The retiree and nonretiree beneficiary, or both combined, have received
9 a benefit for at least fifteen years.

10 (c) The nonretiree beneficiary receives a monthly retirement benefit of less
11 than one thousand two hundred dollars.

12 (d) The deceased member would be at least sixty years of age had he lived.

13 (e) The deceased member neither participated in the Deferred Retirement
14 Option Plan pursuant to R.S. 11:447 nor chose an Initial Benefit Option pursuant to
15 R.S. 11:446(A)(5).

16 (3) Any unmarried surviving spouse, any surviving minor child, or any
17 surviving totally physically handicapped or mentally disabled child of a deceased
18 member which survivor is receiving a monthly retirement benefit pursuant to R.S.
19 11:471 of less than one thousand two hundred dollars if, on June 30, 2009, all of the
20 following apply to the deceased member:

21 (a) He had at least thirty years of service credit, exclusive of unused leave.

22 (b) He has been deceased for fifteen years or more.

23 (c) He would have been at least age sixty.

24 (d) He had not participated in the Deferred Retirement Option Plan pursuant
25 to R.S. 11:447 and had not chosen an Initial Benefit Option pursuant to R.S.
26 11:446(A)(5).

27 B. Each person to whom this Section applies, except as provided in
28 Subsection C of this Section, shall have his current monthly retirement benefit
29 amount increased by the lesser of:

1 (1) Three hundred dollars.

2 (2) The difference between one thousand two hundred dollars and his current
3 monthly benefit amount.

4 C.(1) Notwithstanding Subsection B of this Section, if any nonretiree
5 beneficiary to whom this Section applies is receiving a monthly benefit amount
6 based upon an optional allowance pursuant to R.S. 11:446(A)(1) through (4), which
7 amount is less than that received by the retiree while alive, the amount of the
8 increase that would otherwise be payable pursuant to Subsection B of this Section
9 shall be prorated based upon the option selected.

10 (2) Notwithstanding Subsection B of this Section, if a survivor to whom
11 Paragraph (A)(3) of this Section applies is the sole survivor receiving a benefit
12 pursuant to R.S. 11:471, he shall have his current monthly retirement benefit
13 increased by the lesser of three hundred dollars or the difference between one
14 thousand two hundred dollars and his current monthly benefit amount. If there are
15 multiple survivors to whom Paragraph (A)(3) of this Section applies, such survivors
16 shall share equally a monthly benefit increase of three hundred dollars.

17 D. The provisions of this Section shall not apply to any retiree, nonretiree
18 beneficiary, or survivor receiving a benefit pursuant to a reciprocal agreement
19 recognized by the system.

20 E. The actuarial cost of implementing the provisions of this Section shall be
21 paid from the employee experience account.

22 F. The increase provided pursuant to this Section shall begin on July 1, 2009.

23 * * *

24 §883.3 Minimum benefit increase; payment from experience account

25 A. A monthly minimum benefit increase shall be payable to:

26 (1) Each retiree of the system who, on June 30, 2009, meets all of the
27 following criteria:

28 (a) He has thirty or more years of service credit, exclusive of unused leave.

29 (b) He has been retired for fifteen years or more.

1 (c) He receives a monthly retirement benefit of less than one thousand two
2 hundred dollars.

3 (d) He is at least sixty years of age.

4 (e) He has neither participated in the Deferred Retirement Option Plan
5 pursuant to R.S. 11:786 nor chosen an Initial Lump Sum Benefit pursuant to R.S.
6 11:783(A)(3).

7 (2) Each nonretiree beneficiary receiving a benefit on June 30, 2009, who,
8 as of June 30, 2009, meets all of the following criteria:

9 (a) The deceased member had thirty or more years of service credit exclusive
10 of unused leave.

11 (b) The retiree and nonretiree beneficiary, or both combined, have received
12 a benefit for at least fifteen years.

13 (c) The nonretiree beneficiary receives a monthly retirement benefit of less
14 than one thousand two hundred dollars.

15 (d) The deceased member would be at least sixty years of age had he lived.

16 (e) The deceased member neither participated in the Deferred Retirement
17 Option Plan pursuant to R.S. 11:786 nor chose an Initial Lump Sum Benefit pursuant
18 to R.S. 11:783(A)(3).

19 (3) Any unmarried surviving spouse or any surviving minor child as that
20 term is defined in R.S. 11:701, of a deceased member which survivor is receiving a
21 monthly retirement benefit pursuant to R.S. 11:762 of less than one thousand two
22 hundred dollars if, on June 30, 2009, all of the following apply to the deceased
23 member:

24 (a) He had thirty years of service credit, exclusive of unused leave.

25 (b) He has been deceased for fifteen years or more; and

26 (c) He would have been at least age sixty.

27 (d) He had not participated in the Deferred Retirement Option Plan pursuant
28 to R.S. 11:786 and had not chosen an Initial Lump Sum Benefit pursuant to R.S.
29 11:783(A)(3).

1 B. Each person to whom this Section applies, except as provided in
2 Subsection C of this Section, shall have his current monthly retirement benefit
3 increased by the lesser of:

4 (1) Three hundred dollars.

5 (2) The difference between one thousand two hundred dollars and his current
6 monthly benefit.

7 C.(1) Notwithstanding Subsection B of this Section, if any nonretiree
8 beneficiary to whom this Section applies is receiving a monthly benefit amount
9 based upon an optional allowance pursuant to R.S. 11:783(A)(2), which amount is
10 less than that received by the retiree while alive, the amount of the monthly benefit
11 increase that would otherwise be payable pursuant to Subsection B of this Section
12 shall be prorated based upon the option selected.

13 (2) Notwithstanding Subsection B of this Section, if a survivor to whom
14 Paragraph (A)(3) of this Section applies is the sole survivor receiving a benefit
15 pursuant to R.S. 11:762, he shall have his current monthly retirement benefit
16 increased by the lesser of three hundred dollars or the difference between one
17 thousand two hundred dollars and his current monthly benefit amount. In the event
18 there are multiple survivors to whom Paragraph (A)(3) of this Section applies, such
19 survivors shall share equally a monthly benefit increase of three hundred dollars.

20 D. The provisions of this Section shall not apply to any retiree, nonretiree
21 beneficiary, or survivor receiving a benefit pursuant to a reciprocal agreement
22 recognized by the system.

23 E. The actuarial cost of implementing the provisions of this Section shall be
24 paid from the employee experience account.

25 F. The increase provided pursuant to this Section shall begin on July 1, 2009.

26 Section 2. This Act shall become effective on July 1, 2009; if vetoed by the governor
27 and subsequently approved by the legislature, this Act shall become effective on July 1,
28 2009, 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)]

Doerge

HB No. 586

Abstract: Relative to the Louisiana State Employees' Retirement System (LASERS) and the Teachers' Retirement System of Louisiana (TRSL), grants a minimum benefit increase to certain retirees (or their beneficiaries) who on 6/30/09, have 30 or more years of service credit, are receiving a monthly retirement benefit less than \$1,200, are at least 60 years old, and have been retired for at least 15 years. Such increase shall equal the lesser of \$300 or the amount necessary to raise the retiree/beneficiary's monthly benefit to \$1,200.

Proposed law relative to the Louisiana State Employees' Retirement System (LASERS) and the Teachers' Retirement System of Louisiana (TRSL), provides a monthly benefit increase to:

- (1) Any retiree who on 6/30/09, meets the following criteria:
 - (a) He has 30 or more years of service credit.
 - (b) He has been retired for 15 years or more.
 - (c) He receives a monthly retirement benefit of less than \$1,200 dollars.
 - (d) He is at least 60 years of age.
 - (e) He has neither participated in the Deferred Retirement Option Plan (DROP) nor chosen the Initial Benefit Option (IBO).
- (2) Any nonretiree beneficiary of a retiree who would meet the above criteria if the retiree were alive.
- (3) Any unmarried surviving spouse, minor child, or mentally or physically handicapped child of a deceased member, which survivor is receiving a monthly retirement benefit of less than \$1,200 on 6/30/09, the deceased member would have met all of the following criteria:
 - (a) He has been retired for at least 30 years.
 - (b) He has been deceased for 15 years or more.
 - (c) He would have been at least age 60.
 - (d) He did not participate in DROP.

Proposed law provides that such increase shall be in the form of an increase to a retiree's or beneficiary's monthly benefit in an amount equal to the lesser of \$300 per month or the amount necessary to increase his monthly benefit to \$1,200.

Present law provides several payment options for retirement benefits, which a retiree may choose if he wishes benefits to continue being paid to a designated beneficiary upon his death. Such options will reduce the amount of the monthly benefit that a retiree receives during his lifetime, and may in turn reduce the amount of the monthly benefit that his beneficiary receives upon his death.

Proposed law provides that if any beneficiary to whom proposed law applies is receiving a monthly benefit based upon an optional allowance pursuant to present law, which amount is less than that received by the retiree while alive, the amount of the increase payable pursuant to proposed law shall be prorated based upon the option chosen.

Present law generally provides for survivor benefits for certain survivors of deceased members which members died prior to applying for retirement.

Proposed law provides that any unmarried surviving spouse, minor child, or mentally or physically handicapped child, who is receiving a survivor benefit under present law shall receive a benefit increase pursuant to proposed law. Any person who is the sole survivor of such a member shall receive the lesser of \$300 per month or the amount necessary to increase his monthly benefit to \$1,200. If there are multiple persons receiving such survivor benefits, an increase of \$300 per month shall be shared equally among them.

Present law generally provides for an employee experience account from which all LASERS and TRSL cost-of-living adjustments are payable.

Proposed law provides that funding for the benefit increase payable pursuant to proposed law shall come from the employee experience account.

Effective July 1, 2009.

(Adds 11:542.1.1 and 883.3)