
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Lauren Bailey.

DIGEST

Present law (R.S. 11:429(B)) permits any member of the Louisiana State Employees' Retirement System (LASERS) who has credit in the system for at least five years of service to purchase up to five years of service credit in one-year increments to be used for calculation of benefits only and not for purposes of attaining retirement eligibility. Provides that the member shall apply to the system for such credit and pay to the system the greater of the amount calculated in accordance with the actuarial cost provisions of present law or the employee and employer contributions plus interest based on the member's current salary, which totally offsets the increase in accrued liability of the system resulting from such purchase of service credit. Provides the amount to be paid shall be paid in one lump sum, and no service credit shall be given to the member until or unless the amount is paid in full.

Proposed law retains present law.

New purchase of service credit:

Proposed law provides that any member of LASERS who has credit in the system for at least five years of service shall be eligible to purchase up to five years of service credit in one-year increments for purposes of attaining eligibility for retirement and calculation of benefits.

Upgrade of previously purchased service credit:

Proposed law provides for an upgrade of service credit previously purchased for benefit calculation only pursuant to present law (R.S. 11:429(B)) to service credit applicable to both calculation of benefits and retirement eligibility.

Proposed law provides for application, calculation of purchase price, and lump-sum payment for a new purchase or an upgrade as provided in present law,

Proposed law requires any retiree who purchased service credit under proposed law to pay any increase in his office of group benefits health insurance premium to cover any increase in premium that would otherwise be paid by his employer as a result of the retirement.

Effective July 1, 2011.

(Amends R.S. 11:429(B))