Regular Session, 2011

HOUSE BILL NO. 393

BY REPRESENTATIVE GUILLORY

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

RETIREMENT SYSTEMS: Relative to the La. School Employees' Retirement System (LSERS), the State Police Pension and Retirement System (LSPRS), and the Parochial Employees' Retirement System (PERS), provides for compliance with applicable federal tax qualification requirements

AN ACT

To enact R.S. 11:1151(H), 1151.1(J), 1165.1, 1302.1, 1315, 1945(D), 1965(C), and 1975(C) and to repeal R.S.11:1141(D), 1141.1, 1141.2, 1141.3, 1153, 1336, 1337, and 1338, relative to the Louisiana School Employees' Retirement System, the State Police Pension and Retirement System, and the Parochial Employees' Retirement System; to provide relative to compliance with applicable federal tax qualification requirements; to provide an effective date; and to provide for related matters.

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

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:1151(H), 1151.1(J), 1165.1, 1302.1, 1315, 1945(D), 1965 (C), and 1975(C) are hereby enacted as follows:

§1151. Survivor benefits; members hired on or before December 31, 2010

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H. In the case of a death of a member occurring on or after January 1, 2007, while performing qualified military service, as defined in Section 414(u) of the Internal Revenue Code, eligibility for survivor benefits under this Section shall be determined as if the member had resumed employment and then terminated employment on account of death. The retirement system will credit the member's

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qualified military service as service for vesting purposes and for eligibility computation purposes as though the member, if eligible to, had met the definition of employee under the retirement system and had resumed employment under the Uniformed Services Employment and Reemployment Rights Act (Chapter 43 of Title 38, United States Code) immediately prior to the member's death. The time spent by the member in unqualified military service shall not count for benefit accrual purposes (creditable service) but will only count for eligibility purposes under this Section.

§1151.1. Survivors' benefits; members hired on or after January 1, 2011

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J. In the case of a death of a member occurring on or after January 1, 2007, while performing qualified military service, as defined in Section 414(u) of the Internal Revenue Code, eligibility for survivor benefits under this Section shall be determined as if the member had resumed employment and then terminated employment on account of death. The retirement system will credit the member's qualified military service as service for vesting purposes and for eligibility computation purposes as though the member, if eligible to, had met the definition of employee under the retirement system and had resumed employment under the Uniformed Services Employment and Reemployment Rights Act (Chapter 43 of Title 38, United States Code) immediately prior to the member's death. The time spent by the member in unqualified military service shall not count for benefit accrual purposes (creditable service) but will only count for eligibility purposes under this Section.

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§1165.1. Compliance with Internal Revenue Code provisions.

The retirement system shall take all actions necessary to comply with the provisions of the Internal Revenue Code applicable to qualified governmental retirement plans. The board shall promulgate rules in accordance with the Administrative Procedure Act to incorporate such Internal Revenue Code provisions

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into the retirement system's plan, and the plan provisions shall thereafter consist of this Chapter together with such properly promulgated rules.

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§1302.1. Compliance with Internal Revenue Code provisions

The retirement system shall take all actions necessary to comply with the provisions of the Internal Revenue Code applicable to qualified governmental retirement plans. The board shall promulgate rules in accordance with the Administrative Procedure Act to incorporate such Internal Revenue Code provisions into the retirement system's plan, and the plan provisions shall thereafter consist of this Chapter together with such properly promulgated rules.

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§1315. Death while performing qualified military service

In the case of a death of a member occurring on or after January 1, 2007, while performing qualified military service, as defined in Section 414(u) of the Internal Revenue Code, eligibility for survivor benefits under this Section shall be determined as if the member had resumed employment and then terminated employment on account of death. The retirement system will credit the member's qualified military service as service for vesting purposes and for eligibility computation purposes as though the member, if eligible to, had met the definition of employee under the retirement system and had resumed employment under the Uniformed Services Employment and Reemployment Rights Act (Chapter 43 of Title 38, United States Code) immediately prior to the member's death. The time spent by the member in unqualified military service shall not count for benefit accrual purposes (creditable service) but will only count for eligibility purposes under this Section.

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§1945. Survivor benefits; eligibility

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D. In the case of a death of a member occurring on or after January 1, 2007, while performing qualified military service, as defined in Section 414(u) of the Internal Revenue Code, eligibility for survivor benefits under this Section shall be determined as if the member had resumed employment and then terminated employment on account of death. The retirement system will credit the member's qualified military service for vesting purposes and for eligibility computation purposes as though the member, if eligible to, had met the definition of employee under the retirement system and had resumed employment under the Uniformed Services Employment and Reemployment Rights Act (Chapter 43 of Title 38, United States Code) immediately prior to the member's death. The time spent by the member in qualified military service shall not count for benefit accrual purposes (creditable service) but will only count for eligibility purposes under this Section.

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§1965. Survivor benefits; eligibility

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C. In the case of a death of a member occurring on or after January 1, 2007, while performing qualified military service, as defined in Section 414(u) of the Internal Revenue Code, eligibility for survivor benefits under this Section shall be determined as if the member had resumed employment and then terminated employment on account of death. The retirement system will credit the member's qualified military service for vesting purposes and for eligibility computation purposes as though the member, if eligible to, had met the definition of employee under the retirement system and had resumed employment under the Uniformed Services Employment and Reemployment Rights Act (Chapter 43 of Title 38, United States Code) immediately prior to the member's death. The time spent by the member in qualified military service shall not count for benefit accrual purposes (creditable service) but will only count for eligibility purposes under this Section.

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§1975. Survivor benefits; eligibility

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C. In the case of a death of a member occurring on or after January 1, 2007, while performing qualified military service, as defined in Section 414(u) of the Internal Revenue Code, eligibility for survivor benefits under this Section shall be determined as if the member had resumed employment and then terminated employment on account of death. The retirement system will credit the member's qualified military service as service for vesting purposes and for eligibility computation purposes as though the member, if eligible to, had met the definition of employee under the retirement system and had resumed employment under the Uniformed Services Employment and Reemployment Rights Act (Chapter 43 of Title 38, United States Code) immediately prior to the member's death. The time spent by the member in unqualified military service shall not count for benefit accrual purposes (creditable service) but will only count for eligibility purposes under this Section.

Section 2. The provisions of R.S.11:1141(D), 1141.1, 1141.2, 1141.3, 1153, 1336, 1337, and 1338 are hereby repealed in their entirety.

Section 3. This Act shall become effective on July 1, 2011; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on July 1, 2011, 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)]

Guillory HB No. 393

Abstract: Relative to the La. School Employees' Retirement System (LSERS), the State Police Pension and Retirement System (LSPRS), and the Parochial Employees' Retirement System (PERS), provides for compliance with applicable federal tax qualification requirements.

Present law provides for compliance by LSERS, LSPRS, and PERS, with applicable federal tax qualification requirements of the Internal Revenue Code and federal regulations.

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Proposed law retains present law and continues compliance with applicable federal tax qualification requirements of the Internal Revenue Code by incorporating changes in federal law and regulations, including provisions relating to member's death while performing qualified military service.

Effective July 1, 2011.

(Adds R.S. 11:1151(H), 1151.1(J), 1165.1, 1302.1, 1315, 1945(D), 1965(C), and 1975(C); Repeals R.S.11:1141(D), 1141.1, 1141.2, 1141.3, 1153, 1336, 1337, and 1338)

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