

SENATE BILL NO. 3

BY SENATORS GAUTREAUX, ALARIO, BROOME, CHABERT, CHEEK, DONAHUE, DORSEY, ERDEY, GUILLORY, KOSTELKA, LAFLEUR, LONG, MARIONNEAUX, MICHOT, MILLS, MORRELL, MOUNT, MURRAY, NEVERS, PERRY, QUINN, RISER, SHAW, SMITH, THOMPSON, WALSWORTH AND WILLARD-LEWIS AND REPRESENTATIVES BOBBY BADON, BALDONE, BURFORD, CARMODY, CHAMPAGNE, CHANDLER, CHANEY, CONNICK, CORTEZ, DOERGE, DOWNS, EDWARDS, FANNIN, GISCLAIR, GREENE, GUILLORY, HENDERSON, HILL, HOFFMANN, HOWARD, GIROD JACKSON, LANDRY, LEBAS, LITTLE, MONICA, MONToucET, MORRIS, NOWLIN, PEARSON, POPE, RICHARDSON, ROBIDEAUX, GARY SMITH, JANE SMITH, ST. GERMAIN, TALBOT, THIERRY, TUCKER, WILLMOTT AND WOOTON

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

1 AN ACT

2 To amend and reenact R.S. 11: 2174.2 and 2178(B)(1)(b), (C), and (I)(1), relative to the
3 Sheriffs' Pension and Relief Fund; to provide for changes to the existing defined
4 benefit plan; to provide for calculation of benefits and retirement eligibility
5 requirements for persons whose system membership begins after a certain date; to
6 provide for an effective date; and to provide for related matters.

7 Notice of intention to introduce this Act has been published.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 11:2174.2 and 2178 (B)(1)(b), (C), and (I)(1) are hereby amended
10 and reenacted to read as follows:

11 §2174.2. Transfer of service credit; ~~upgrade~~ **purchase of accrual rate**
12 ~~Notwithstanding any other provision of law to the contrary, and specifically~~
13 ~~the provisions of R.S. 11:143, any~~ **Any** member who has service credit in another
14 **Louisiana** public retirement system ~~can~~ **may** elect to transfer all such service credit
15 to this fund. ~~The~~ **Notwithstanding any other provision of law to the contrary,**
16 **including the provisions of R.S. 11:143(D)(4), the** member ~~can~~ **may** elect to have
17 **purchase** the accrual rate ~~in effect for~~ **of** this fund at the time of the transfer apply
18 **applicable to the member on the date of such purchase for the purpose of**
19 **applying the fund's accrual rate** to such other service credit by paying the amount
20 established in accordance with R.S. 11:158(C). **If, after such purchase, the**

member attains eligibility for an accrual rate higher than the rate previously purchased, the member may elect to execute an additional purchase for the purpose of applying the higher rate to the transferred service credit by paying the amount established in accordance with R.S. 11:158(C).

* * *

§2178. Disability benefits; retirement benefits; death benefits

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B. The board of trustees shall award disability benefits to eligible members who have been officially certified as disabled by the State Medical Disability Board. The disability benefit shall be as follows:

(1) (a) * * *

(b)(i) For the purpose of this Subsection, for any member whose first employment making him eligible for membership in the system began prior to July 1, 2006, final average compensation is defined as the member's average salary for the thirty-six highest successive months of employment, or the highest thirty-six successive joined months of employment where interruption of service occurred. If the member has been employed for a period of less than thirty-six months, final average compensation shall be based on the average monthly salary received for the time employed.

(ii) For the purpose of this Subsection, for any member whose first employment making him eligible for membership in the system began on or after July 1, 2006, final average compensation is defined as the member's average salary for the sixty highest successive months of employment, or the highest sixty successive joined months of employment where interruption of service occurred. If the member has been employed for a period of less than sixty months, final average compensation shall be based on the average monthly salary received for the time employed.

(iii) Upon approval for disability benefits, the member shall exercise a retirement option as provided for service retirement under the provisions of Subsection I of this Section and no change in the option selected shall be permitted

after it has been filed with the board. The retirement option factors shall be the same as those utilized for regular retirement based on the age of the retiree and spouse had the retiree continued in active service until the normal retirement date.

* * *

C.(1)(a) Any member whose first employment making him eligible for membership in the system began prior to January 1, 2012, shall be eligible to retire, upon receipt of the member's written application by the board of trustees, if the member:

(i) Has twelve or more years of creditable service and has attained the age of fifty-five;~~or,~~

(ii) Has thirty or more years of creditable service, without regard to age.

(b) Any member whose first employment making him eligible for membership in the system began on or after January 1, 2012, shall be eligible to retire, upon receipt of the member's written application by the board of trustees, if the member:

(i) Has twelve or more years of creditable service and has attained the age of sixty-two.

(ii) Has twenty or more years of creditable service and has attained the age of sixty.

(iii) Has thirty or more years of creditable service and has attained the age of fifty-five.

(c)(i) A member whose first employment making him eligible for membership in the system began on or before June 30, 2006, shall be paid a monthly sum equal to three and one-third percent of the member's average monthly salary for the thirty-six highest successive months of employment, or the highest thirty-six successive joined months of employment where interruption of service occurred, multiplied by the number of years of creditable service in the fund.

(ii) A member whose first employment making him eligible for membership in the system began on or after July 1, 2006, but prior to January 1, 2012, shall be paid a monthly sum equal to three and one-third percent of the member's average

1 monthly salary for the sixty highest successive months of employment, or the highest
2 sixty successive joined months of employment where interruption of service
3 occurred, multiplied by the number of years of creditable service in the fund.

4 (iii) A member whose first employment making him eligible for
5 membership in the system began on or after January 1, 2012, shall be paid a
6 monthly sum equal to three percent of the member's average monthly salary for
7 the sixty highest successive months of employment, or the highest sixty
8 successive joined months of employment where interruption of service occurred,
9 multiplied by the number of years of creditable service in the fund.

10 (iv)(aa) Notwithstanding the provisions of Item (iii) of this
11 Subparagraph, a member whose first employment making him eligible for
12 membership in the system began on or after January 1, 2012, who retires with
13 thirty or more years of creditable service or any member who in the
14 performance of his official duties as a commissioned law enforcement officer
15 suffers a violent act or accident during the pursuit, apprehension, or arrest of
16 a criminal suspect and as a result becomes totally and permanently disabled or
17 dies, shall be paid a monthly sum equal to three and one-third percent of the
18 member's average monthly salary for the sixty highest successive months of
19 employment, or the highest sixty successive joined months of employment where
20 interruption of service occurred, multiplied by the number of years of
21 creditable service in the fund.

22 (bb) Creditable service maintained pursuant to a reciprocal agreement
23 in another system, fund, or plan shall not be used to meet the requirement of
24 thirty or more years of creditable service.

25 (cc) Transferred service with an accrual rate of less than three and one-
26 third percent shall not be used to meet the requirement of thirty or more years
27 of creditable service unless the member elects to purchase the accrual rate for
28 application to his transferred credit pursuant to the provisions of R.S.
29 11:2174.2.

30 (2) Any member who has twelve or more years of creditable service and who

1 separates from service before attaining the minimum age of ~~fifty-five years~~
2 required for regular retirement eligibility shall be entitled to a deferred retirement
3 beginning ~~at age fifty-five~~ when the member attains regular retirement age. The
4 member shall be paid the same amount he would have received had he retired while
5 in service. In order to be eligible for this deferred retirement, the member shall not
6 have withdrawn any part of his contributions from the fund. The member's written
7 application shall be received by the board before the retirement is effective.

8 (3)(a) In the event a member whose first employment making him eligible
9 for membership in the system began prior to January 1, 2012, is eligible for
10 deferred retirement and is over fifty years of age with at least twenty years of
11 creditable service the member may elect to take, in lieu of deferred retirement, the
12 actuarial equivalent of the benefit due had the member attained age fifty-five. The
13 retirement shall become effective upon receipt of the member's written application
14 by the board of trustees.

15 (b) In the event a member whose first employment making him eligible
16 for membership in the system began on or after January 1, 2012, is eligible for
17 deferred retirement and is over fifty years of age with at least twenty years of
18 creditable service the member may elect to take, in lieu of deferred retirement,
19 the actuarial equivalent of the benefit due had the member attained age sixty.
20 The retirement shall become effective upon receipt of the member's written
21 application by the board of trustees.

22 (4)(a) For those members whose first employment making them eligible
23 for membership in the system began prior to July 1, 2006, ~~The~~ the retirement
24 pension under this Subsection shall in no case exceed the average monthly salary of
25 ~~the deputy or sheriff~~ for the thirty-six highest successive months of employment, or
26 the highest thirty-six successive joined months of employment where interruption
27 of service occurred.

28 (b) For those members whose first employment making them eligible for
29 membership in the system began on or after July 1, 2006, the retirement pension
30 under this Subsection shall in no case exceed the average monthly salary for the

1 sixty highest successive months of employment, or the highest sixty successive
2 joined months of employment where interruption of service occurred.

3 (5) Any active, contributing member whose first employment making him
4 eligible for membership in the system began prior to January 1, 2012, who has
5 completed ten years of service, has attained the age of sixty, and is not in a deferred
6 retiree status, shall be eligible for a reduced retirement benefit equal to the member's
7 accrued regular retirement benefit reduced actuarially for each month or fraction
8 thereof that retirement begins prior to the member's earliest normal retirement date
9 assuming continuous service.

10 * * *

11 I.(1) Maximum benefit. (a) Upon application for service retirement, any
12 participant may elect to receive benefits in a retirement allowance payable
13 throughout life, or

14 (b) May elect at that time to receive the actuarial equivalent of the retirement
15 allowance in a reduced retirement allowance payable throughout life with the
16 following options, subject to the limitation that no member may elect an optional
17 settlement in any amount in excess of the member's final average compensation, after
18 the reduction produced by the option selected:

19 Option 1. If the member dies before receiving in annuity payments the
20 present value of the member's annuity as it was at the time of the member's
21 retirement, the balance shall be paid to the member's legal representative or
22 representatives or to such person as the member shall nominate by written
23 designation duly acknowledged and filed with the board.

24 Option 2. Upon the member's death, a reduced retirement allowance shall be
25 continued throughout the life of and paid to the spouse to whom the member was
26 married and living with at the time of retirement.

27 Option 2A. Upon the member's death, a reduced retirement allowance shall
28 be continued throughout the life of and paid to the spouse to whom the member was
29 married and living with at the time of retirement provided that if the designated
30 beneficiary predeceases the retiree, the retiree's reduced benefit shall change to the

1 maximum benefit effective on the first day of the next month following the death of
2 the designated beneficiary. The retiree shall be responsible for notifying the pension
3 fund of these circumstances, ~~to present~~ **presenting** satisfactory evidence of same,
4 and ~~to request~~ **requesting** the change of the reduced benefit to the maximum benefit.
5 Adjustment of benefits under this Option shall not be retroactive, and shall be
6 effective on the first day of the next month following official approval of the
7 application for change in benefits.

8 Option 3. Upon the member's death, one-half of the reduced retirement
9 allowance shall be continued throughout the life of and paid to the spouse to whom
10 the member was married and living with at the time of retirement.

11 Option 3A. Upon the member's death, one-half of the reduced retirement
12 allowance shall be continued throughout the life of and paid to the spouse to whom
13 the member was married and living with at the time of retirement provided that if the
14 designated beneficiary predeceases the retiree, the retiree's reduced benefit shall
15 change the maximum benefit effective on the first day of the next month following
16 the death of the designated beneficiary. The retiree shall be responsible for notifying
17 the pension fund of these circumstances, ~~to present~~ **presenting** satisfactory evidence
18 of same, and ~~to request~~ **requesting** the change of the reduced benefit to the
19 maximum benefit. Adjustment of benefits under this Option shall not be retroactive,
20 and shall be effective on the first day of the next month following official approval
21 of the application for change in benefits.

22 Option 4. Some other benefit or benefits shall be paid either to the participant
23 or to the spouse to whom the member was married and living with at the time of
24 retirement, if living, or to the minor child or children, until the age of majority, or to
25 the disabled child or children, as long as the disability exists, otherwise to such other
26 dependent as the member shall have nominated until the age of majority or for a
27 period of ten years, whichever is greater, provided such other benefit or benefits,
28 together with the reduced retirement allowance, shall be certified by the actuary to
29 be of equivalent actuarial value to the member's retirement allowance and approved
30 by the board.

Option 5. Ninety percent of the member's maximum retirement and upon death, if survived by a surviving spouse to whom the member was married and living with at the time of retirement, fifty percent of the member's ~~maximum~~ benefit shall be paid to the surviving spouse during said spouse's lifetime.

5 * *

6 Section 2. This Act shall become effective on July 1, 2011; if vetoed by the governor
7 and subsequently approved by the legislature, this Act shall become effective on July 1,
8 2011, or on the day following such approval by the legislature, whichever is later.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____