

Prior law (R.S. 11:429(B)) permitted 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. New law retains prior law.

Prior law provided 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 prior 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.

New law 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, excluding the employee and employer contributions that would have been paid to the system, plus interest thereon, compounded annually from the time the contributions would have been paid, at the assumed actuarial valuation rate of interest of the system, or the employee contributions for each additional year of service credit being obtained based upon the greater of the member's current salary or the member's current final average compensation.

Prior law provided 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. New law retains prior law.

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

New law provides for application and lump-sum payment for a new purchase or an upgrade as provided in prior law.

New law provides that any member who elects to upgrade previously purchased credit shall pay the actuarial cost of such upgrade.

New law requires any retiree who purchases service credit under new 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, only if the member retires earlier than he would otherwise have been eligible to retire without his purchase of service credit.

New law provides that the increased premium payments shall cease when the retiree attains the age at which his earned creditable service, not including service purchased pursuant to new law, would have been sufficient to meet eligibility requirements for regular retirement.

Effective July 1, 2011.

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