
DIGEST

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Hoffmann

HB No. 1064

Abstract: Increases the employee contribution rate for the District Attorneys' Retirement System (DARS), changes the average final compensation calculation from a 36-month (three year) average to a 60-month (five year) average, and allows the surviving spouse of certain members to elect to receive benefits as though the member had elected the Back-DROP option.

Present law (R.S. 11:62) establishes the employee contribution rates for members of the 13 state and statewide retirement systems.

Present law, for District Attorneys' Retirement System (DARS) establishes the employee contribution rate at 7% of pay.

Proposed law increases this employee contribution rate from 7% of 8%.

Present law (R.S. 11:1581) establishes definitions for terms used in the DARS law.

Present law defines "average final compensation" as the average monthly compensation earned during the three highest paid years of employment. Proposed law changes this from three years to five years.

Present law authorizes nonstate compensation to be included in a members average monthly compensation. Further provides that the nonstate compensation may not exceed 110% of the state compensation received by the member for the first 12-month period, and for every subsequent 12-month period that the nonstate compensation may not exceed 110% of the total nonstate compensation received in the prior 12-month period. Proposed law retains present law and extends the 110% nonstate contribution cap in present law through the full 60-month "average final compensation" period.

Present law (R.S. 11:1631) allows a retired member to be reemployed by certain district attorneys. The member's retirement benefit is suspended during such reemployment. Upon reemployment, the member becomes an active contributing member of DARS once again, and he shall accrue credit towards a supplemental benefit.

Present law provides that if a reemployed member continues in reemployment for less than 36 months, his supplemental benefit shall equal the benefit calculated under applicable present law and the lesser of his average final compensation at his original retirement date or his average

compensation during the period of his subsequent employment. Present law provides that if a reemployed member continues in reemployment for more than 36 months, his supplemental benefit shall equal the benefit calculated under applicable present law and his average final compensation during his period of reemployment. Proposed law changes the reemployment period that distinguishes these calculations from 36 months to 60 months.

Present law provides for payment of survivor benefits in certain circumstances.

Proposed law adds to present law the ability for the spouse of an active contributing member who dies to receive survivor benefits as if the deceased member had retired and elected certain Back-DROP benefits.

Proposed law further provides for transitional application of the 36-month to 60-month average final compensation for members enrolled in the system on the effective date of the Act. For these members, if any elects to retire between Jan. 1, 2013, and Dec. 31, 2014, his average final compensation shall be calculated based on 36 months + one month for each month past Jan. 1, 2013, he worked. Further provides that no current member shall receive less of a benefit under the 60-month average final compensation calculation than he would have under the 36-month calculation.

Effective Jan. 1, 2013.

(Amends R.S. 11:62(12), 1581(5), and 1631(F)(1); Adds R.S. 11:1636(C))