

Regular Session, 2012

HOUSE BILL NO. 61

BY REPRESENTATIVE PEARSON

RETIREMENT/STATE SYSTEMS: Provides for a cash balance plan for certain state employees

1 AN ACT

2 To amend and reenact R.S. 11:62(4)(introductory paragraph), (5)(introductory paragraph),
3 and (11)(introductory paragraph), 102(B)(1) and (3)(a) and (d)(v), (vi), and (vii),
4 542(A)(2)(a), 883.1(A)(2)(a), and 1145.1(A)(1)(introductory paragraph) and (a),
5 (C)(4)(a)(introductory paragraph), and (E), and to enact R.S. 11:62(4.1), (5.1), and
6 (11.1), 102(C)(1)(m), 542(C)(4)(d)(iii) and (e)(iii), 883.1(C)(4)(d)(iii) and (e)(iii),
7 1145.1(C)(4)(a)(iii) and (b)(iii), and Chapter 7 of Subtitle II of Title 11 of the
8 Louisiana Revised Statutes of 1950, to be comprised of R.S. 11:1399 through 1399.5,
9 relative to state retirement systems; to create a cash balance plan in certain state
10 systems; to provide for contributions, credits, eligibility, and benefits; to provide for
11 an effective date; and to provide for related matters.

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

15 Be it enacted by the Legislature of Louisiana:

16 Section 1. R.S. 11:62(4)(introductory paragraph), (5)(introductory paragraph), and
17 (11)(introductory paragraph), 102(B)(1) and (3)(a) and (d)(v), (vi), and (vii), 542(A)(2)(a),
18 883.1(A)(2)(a), and 1145.1(A)(1)(introductory paragraph) and (a), (C)(4)(a)(introductory
19 paragraph), and (E) are hereby amended and reenacted and R.S. 11:62(4.1), (5.1), and (11.1),
20 102(C)(1)(m), 542(C)(4)(d)(iii) and (e)(iii), 883.1(C)(4)(d)(iii) and (e)(iii),

1 1145.1(C)(4)(a)(iii) and (b)(iii), and Chapter 7 of Subtitle II of Title 11 of the Louisiana
2 Revised Statutes of 1950, comprised of R.S. 11:1399 through 1399.5, are hereby enacted to
3 read as follows:

4 §62. Employee contribution rates established

5 Employee contributions to state and statewide public retirement systems shall
6 be paid at the following rates, except as otherwise provided by law:

7 * * *

8 (4) Louisiana School Employees' Retirement System members in Tier 1:

9 * * *

10 (4.1) Louisiana School Employees' Retirement System members in the cash
11 balance plan - 8%.

12 * * *

13 (5) Louisiana State Employees' Retirement System members in Tier 1:

14 * * *

15 (5.1) Louisiana State Employees' Retirement System members in the cash
16 balance plan - 8%.

17 * * *

18 (11) Teachers' Retirement System of Louisiana members in Tier 1:

19 * * *

20 (11.1) Teachers' Retirement System of Louisiana members in the cash
21 balance plan - 8%.

22 * * *

23 §102. Employer contributions; determination; state systems

24 * * *

25 B.(1) Except as provided in Subsection C of this Section for the Louisiana
26 State Employees' Retirement System and except as provided in R.S. 11:102.1 and
27 102.2 and in Paragraph (5) of this Subsection, for each fiscal year, commencing with
28 Fiscal Year 1989-1990, for each of the public retirement systems referenced in
29 Subsection A of this Section, the legislature shall set the required employer

1 contribution rate equal to the actuarially required employer contribution, as
 2 determined under Paragraph (3) of this Subsection, divided by the total projected
 3 payroll of all active members including cash balance plan members of each
 4 particular system for the fiscal year. Each entity funding a portion of a member's
 5 salary shall also fund the employer's contribution on that portion of the member's
 6 salary at the employer contribution rate specified in this Subsection.

7 * * *

8 (3) With respect to each state public retirement system, the actuarially
 9 required employer contribution for each fiscal year, commencing with Fiscal Year
 10 1989-1990, shall be that dollar amount equal to the sum of:

11 (a) The employer's normal cost for that fiscal year, computed as of the first
 12 of the fiscal year using the system's actuarial funding method as specified in R.S.
 13 11:22 and taking into account the value of future accumulated employee
 14 contributions and interest thereon, such employer's normal cost rate multiplied by the
 15 total projected payroll for all active members including cash balance plan members
 16 to the middle of that fiscal year. For the Louisiana State Employees' Retirement
 17 System, effective for the June 30, 2010, system valuation and beginning with Fiscal
 18 Year 2011-2012, the normal cost shall be determined in accordance with Subsection
 19 C of this Section.

20 * * *

21 (d) That fiscal year's payment, computed as of the first of that fiscal year and
 22 projected to the middle of that fiscal year at the actuarially assumed interest rate,
 23 necessary to amortize changes in actuarial liability due to:

24 * * *

25 (v) Effective July 1, 2004, and beginning with Fiscal Year 1998-1999, the
 26 amortization period for the changes, gains, or losses of the Louisiana State
 27 Employees' Retirement System provided in Items (i) through (iv) of this
 28 Subparagraph shall be thirty years, or in accordance with standards promulgated by
 29 the Governmental Accounting Standards Board, from the year in which the change,

1 gain, or loss occurred. The outstanding balances of amortization bases established
2 pursuant to Items (i) through (iv) of this Subparagraph before Fiscal Year
3 1998-1999, shall be amortized as a level dollar amount from July 1, 2004, through
4 June 30, 2029. Beginning with Fiscal Year 2003-2004, and for each fiscal year
5 thereafter, the outstanding balances of amortization bases established pursuant to
6 Items (i) through (iv) of this Subparagraph and for any changes, gains, or losses
7 attributable to the cash balance plan shall be amortized as a level dollar amount. For
8 the Louisiana State Employees' Retirement System, effective for the June 30, 2010,
9 system valuation and beginning with Fiscal Year 2011-2012, amortization payments
10 for changes in actuarial liability shall be determined in accordance with Subsection
11 C of this Section.

12 (vi) Effective July 1, 2004, and beginning with Fiscal Year 2000-2001, the
13 amortization period for the changes, gains, or losses of the Louisiana School
14 Employees' Retirement System provided in Items (i) through (iv) of this
15 Subparagraph and for any changes, gains, or losses attributable to the cash balance
16 plan shall be thirty years, or in accordance with standards promulgated by the
17 Governmental Accounting Standards Board, from the year in which the change, gain,
18 or loss occurred. The outstanding balances of amortization bases established
19 pursuant to Items (i) through (iv) of this Subparagraph before Fiscal Year 2000-
20 2001, shall be amortized as a level dollar amount from July 1, 2004, through June 30,
21 2029. Beginning with Fiscal Year 2003-2004, and for each fiscal year thereafter, the
22 outstanding balances of amortization bases established pursuant to Items (i) through
23 (iv) of this Subparagraph shall be amortized as a level dollar amount.

24 (vii) Effective July 1, 2004, and beginning with Fiscal Year 2000-2001, the
25 amortization period for the changes, gains, or losses of the Teachers' Retirement
26 System of Louisiana provided in Items (i) through (iv) of this Subparagraph and for
27 any changes, gains, or losses attributable to the cash balance plan shall be thirty
28 years, or in accordance with standards promulgated by the Governmental Accounting
29 Standards Board, from the year in which the change, gain, or loss occurred. The

1 outstanding balances of amortization bases established pursuant to Items (i) through
2 (iv) of this Subparagraph before Fiscal Year 2000-2001, shall be amortized as a level
3 dollar amount from July 1, 2004, through June 30, 2029. Beginning with Fiscal Year
4 2003-2004, and for each fiscal year thereafter, the outstanding balances of
5 amortization bases established pursuant to Items (i) through (iv) of this Subparagraph
6 shall be amortized as a level dollar amount.

7 * * *

8 C.(1) This Subsection shall be applicable to the Louisiana State Employees'
9 Retirement System effective for the June 30, 2010, system valuation and beginning
10 Fiscal Year 2011-2012. For purposes of this Subsection, "plan" or "plans" shall
11 mean a subgroup within the system characterized by the following employee
12 classifications:

13 * * *

14 (m) Members in the cash balance plan.

15 * * *

16 §542. Experience account

17 A.

18 * * *

19 (2) The experience account shall be credited as follows:

20 (a) To the extent permitted by Paragraph (3) of this Subsection and after
21 allocation to the consolidated amortization bases as provided in R.S. 11:102.1, an
22 amount not to exceed fifty percent of the remaining balance of the prior year's net
23 investment experience gain attributable to Tier 1 assets as determined by the system's
24 actuary.

25 * * *

26 C.

27 * * *

28 (4)

29 * * *

1 (d) Except as provided in Subparagraph (c) of this Paragraph, in order to be
2 eligible for any permanent benefit increase payable on or after July 1, 2009, there
3 shall be the funds available in the experience account to pay for such an increase, and
4 a retiree:

5 * * *

6 (iii) Shall be a member of Tier 1.

7 (e) Except as provided in Subparagraph (c) of this Paragraph, a nonretiree
8 beneficiary shall be eligible for the permanent benefit increase payable on or after
9 July 1, 2009:

10 * * *

11 (iii) If the benefits are based on Tier 1 service.

12 * * *

13 §883.1. Experience account

14 A.

15 * * *

16 (2) The experience account shall be credited as follows:

17 (a) To the extent permitted by Paragraph (3) of this Subsection and after
18 allocation to the consolidated amortization bases as provided in R.S. 11:102.2, an
19 amount not to exceed fifty percent of the remaining balance of the prior year's net
20 investment experience gain attributable to Tier 1 assets as determined by the system's
21 actuary.

22 * * *

23 C.

24 * * *

25 (4)

26 * * *

27 (d) Except as provided in Subparagraph (c) of this Paragraph, in order to be
28 eligible for any permanent benefit increase payable on or after July 1, 2009, there

1 shall be the funds available in the experience account to pay for such an increase, and
2 a retiree:

3 * * *

4 (iii) Shall be a member of Tier 1.

5 (e) Except as provided in Subparagraph (c) of this Paragraph, a nonretiree
6 beneficiary shall be eligible for the permanent benefit increase payable on or after
7 July 1, 2009:

8 * * *

9 (iii) If the benefits are based on Tier 1 service.

10 * * *

11 §1145.1. ~~Employee Experience Account~~ account

12 A.(1) The ~~Employee Experience Account~~ experience account shall be
13 credited as follows:

14 (a) To the extent permitted by Paragraph (2) of this Subsection, an amount
15 not to exceed fifty percent of the prior year's net investment experience gain
16 attributable to Tier 1 assets as determined by the system's actuary.

17 * * *

18 C.

19 * * *

20 (4)(a) Except as provided in Subparagraph (c) of this Paragraph, in order to
21 be eligible for the cost-of-living adjustment, there shall be the funds available in the
22 ~~Employee Experience Account~~ experience account to pay for such an adjustment,
23 and a retiree:

24 * * *

25 (iii) Shall be a member of Tier 1.

26 (b) Except as provided in Subparagraph (c) of this Paragraph, a non-retiree
27 beneficiary shall be eligible for the cost-of-living adjustment:

28 * * *

1 (iii) If benefits are based on Tier 1 service.

2 * * *

3 E. Effective July 1, 2007, the balance in the ~~Employee Experience Account~~
4 experience account shall be zero.

5 * * *

6 CHAPTER 7. CASH BALANCE PLAN FOR STATE RETIREMENT SYSTEMS

7 §1399. Cash balance plan creation

8 A. There is hereby created within each of the following state retirement
9 systems a cash balance plan:

10 (1) Louisiana State Employees' Retirement System.

11 (2) Teachers' Retirement System of Louisiana.

12 (3) Louisiana School Employees' Retirement System.

13 B. The provisions of each system in effect on June 29, 2012, including any
14 special plans, shall be known as "Tier 1".

15 §1399.1. Cash balance plan membership

16 A. Mandatory membership. The following employees whose first
17 employment making them eligible for membership in one of the state systems
18 occurred on or after July 1, 2013, shall be members of the cash balance plan of their
19 respective systems:

20 (1) Employees covered by the Louisiana State Employees' Retirement
21 System who are not members of the Hazardous Duty Services Plan pursuant to R.S.
22 11:612.

23 (2) Employees covered by the Teachers' Retirement System of Louisiana
24 who are employed by an institution of post-secondary education and who do not
25 become members of the optional retirement plan.

26 B. Optional membership. (1) Except as provided in Paragraph (2) of this
27 Subsection, any employee who is a member of Tier 1 of his retirement system may
28 at any time make an irrevocable election to join the cash balance plan of the
29 retirement system on a prospective basis.

1 (2) No member of the Hazardous Duty Services Plan shall be permitted to
2 elect to join the cash balance plan.

3 §1399.2. Cash balance plan account accumulation

4 A. Contributions. (1) Each employee shall contribute to the retirement
5 system the amount specified in R.S. 11:62.

6 (2) Employer contributions to each retirement system shall be as provided
7 in R.S. 11:102.

8 B. Credits. The cash balance plan member's account shall be credited with
9 an amount equal to twelve percent of pay monthly. The credits shall include all
10 employee contributions.

11 C. Interest. (1) For the duration of service covered by the cash balance plan,
12 interest shall be payable on the balance in the member's account on the last day of
13 the fiscal year. The member's account shall be credited with interest at an annual rate
14 equal to the system's actuarial rate of return on investments, after smoothing, for that
15 fiscal year less one hundred basis points.

16 (2) No interest shall be credited after the member separates from service
17 covered by the cash balance plan of his retirement system.

18 (3) In no case shall the balance in the employee's account be debited for
19 investment losses.

20 D. Withdrawal from the cash balance plan. A cash balance plan member
21 who separates from employment covered by his retirement system may withdraw
22 from the cash balance plan.

23 (1) Upon application for withdrawal, an employee who has been a cash
24 balance plan member for less than five years shall receive a refund of employee
25 contributions without interest. The system shall retain all interest and any employer
26 contributions.

27 (2) Upon application for withdrawal, an employee who has been a cash
28 balance plan member for five years or longer may receive a lump-sum payment of
29 his account balance or the distribution of his total account balance in the form of a

1 trustee-to-trustee, single-sum transfer between qualified plans or as a payment made
2 directly to a conduit individual retirement account. The employee may opt to leave
3 his account balance with the system and draw an annuity pursuant to R.S. 11:1399.3
4 when he attains age sixty.

5 (3)(a) A cash balance plan member shall not be eligible to utilize the years
6 of his membership in the cash balance plan for purposes of reciprocal recognition of
7 credited service pursuant to R.S. 11:142.

8 (b) A cash balance plan member who elects to withdraw from the cash
9 balance plan after becoming a member of another Louisiana public retirement system
10 may execute the withdrawal provided in this Subsection pursuant to the provisions
11 of R.S. 11:143 to transfer or reverse transfer his years of membership in the cash
12 balance plan as service credit to another retirement system. However, the provisions
13 of R.S. 11:143(C) shall not apply to such transaction; instead, the system from which
14 the member is withdrawing shall transfer to the receiving system only the amount the
15 member is entitled to receive pursuant to Paragraph (2) or (3) of this Subsection.
16 The transfer shall be executed on an actuarial basis. If the funds transferred from the
17 cash balance plan are insufficient to cover the actuarial liabilities created, the
18 member shall pay the difference or receive actuarially reduced service credit, as
19 provided in R.S. 11:143.

20 (4) If a cash balance plan member dies without having withdrawn from the
21 cash balance plan pursuant to this Subsection or annuitized his benefit pursuant to
22 R.S. 11:1399.3, or if a member becomes disabled, the system shall pay to his
23 designated beneficiary or to his estate a lump-sum payment of his account balance.
24 §1399.3. Retirement eligibility; benefit calculation

25 A. Eligibility for retirement. A cash balance plan member is eligible to draw
26 an annuity with five years of membership in the cash balance plan at age sixty. The
27 annuity payment amount shall be calculated as provided in Subsection B of this
28 Section.

1 B. Annuitization of retirement benefit. (1) Upon application, any member
2 meeting the qualifications in Subsection A of this Section may elect to receive an
3 annuity in a retirement allowance payable throughout his life, or he may elect at that
4 time to receive the actuarial equivalent of his retirement allowance in a reduced
5 retirement allowance payable throughout life, pursuant to any retirement option
6 provided for Tier 1 members of his system. The system shall annuitize and pay any
7 such allowance chosen by the member.

8 (2) No member of the cash balance plan shall be eligible to participate in any
9 deferred retirement option plan or program or any similar retirement option that
10 requires continued employment for participation, nor shall such a member be eligible
11 to participate in any back-deferred retirement option plan or program. However, a
12 cash balance plan member may participate in any initial benefit option, initial lump
13 sum benefit option, or any similar retirement option designed to provide a reduced
14 annuity in exchange for a lump-sum payment which is selected upon separation from
15 service.

16 §1399.4. Reemployment

17 If, after withdrawing from the cash balance plan upon separation from service
18 or after annuitizing his benefit, a cash balance plan member becomes reemployed in
19 a position covered by the cash balance plan, the person's accumulation in the cash
20 balance plan pursuant to R.S. 11:1399.2 shall begin again. However, the
21 reemployment shall not affect the receipt of the lump sum or annuitized payments
22 from the first cash balance account.

23 §1399.5. Application

24 The provisions of the applicable Tier 1 system or plan shall apply to the cash
25 balance plan for any matter on which this Chapter is silent. In case of any conflict
26 between the provisions of Tier 1 and the cash balance plan, the cash balance plan
27 shall prevail.

28 Section 2. (A) As soon as practicable after the effective date of this Act, the Public
29 Retirement Systems Actuarial Committee shall meet to adopt a revised valuation for the

1 system prepared as provided in R.S. 11:102. This valuation shall include a revised employer
2 contribution rate for each plan within the system to be utilized in the fiscal year which begins
3 on July 1, 2012. This valuation shall incorporate all changes enacted by the legislature in
4 the 2012 Regular Session of the Legislature of Louisiana.

5 (B) The Public Retirement Systems Actuarial Committee may adopt an actuarial
6 valuation or revised employer contribution rate to be utilized in the fiscal year which begins
7 on July 1, 2012, calculated in accordance with R.S. 11:102, which has been prepared on
8 behalf of the division of administration by a member of the American Academy of Actuaries
9 who meets the qualification requirements of the academy to issue a particular Statement of
10 Actuarial Opinion.

11 Section 3. Because the legislature finds and declares that questions of law may be
12 raised concerning provisions of this Act, the public welfare requires that such questions of
13 law be expeditiously resolved prior to such time as its provisions take effect to avoid
14 disruption of the orderly implementation of its provisions. Therefore, the legislature finds
15 that an expedited hearing schedule for actions filed relative to this Act should be
16 immediately made available in order to avoid confusion by the public. Venue for any action
17 shall be in the Nineteenth Judicial District. The attorney general and the governor shall be
18 served with a copy of the proceeding and shall be entitled to be heard. In the interest of
19 further expediting this procedure, courts are urged to minimize all unnecessary delays and
20 to resolve any questions of law no later than thirty days prior to the prefiling deadline for
21 retirement legislation for the 2013 regular legislative session. The courts may suspend all
22 applicable rules of court for this limited purpose.

23 Section 4. This Act shall become effective on June 30, 2012; if vetoed by the
24 governor and subsequently approved by the legislature, this Act shall become effective on
25 June 30, 2012, 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)]

Pearson

HB No. 61

Abstract: Creates a cash balance retirement plan for certain members of the La. State Employees' Retirement System (LASERS), the Teachers' Retirement System of La. (TRSL), and the La. School Employees' Retirement System (LSERS).

Proposed law provides for a cash balance retirement plan (CBP) for certain members LASERS, TRSL, and LSERS.

Proposed law requires non-hazardous duty new members of LASERS and postsecondary education new members of TRSL, hired on or after July 1, 2013, to be members of the CBP.

Proposed law permits employees of LASERS, TRSL, and LSERS, except members of the Hazardous Duty Services Plan of LASERS, to opt into the CBP.

Proposed law establishes an annual credit of 12% to the CBP member's account. This 12% includes the employee's contribution. Provides for an interest credit annually to each member's account of the system's actuarial rate of return, after smoothing, less 1%. Provides the CBP member's account cannot be debited for losses.

Proposed law further provides for withdrawal by an employee from the CBP. If a member with less than five years withdraws from the plan, he will receive a refund of all employee contributions, without interest. If a member with five years or more withdraws from the plan, he is entitled to receive the entirety of the balance of his account, either in a lump sum or as a direct transfer to another qualified plan or individual retirement account. Such employee may also opt to leave his account balance with the system and draw an annuity pursuant to proposed law when the member attains age 60.

Proposed law provides that a CBP member may not use his years of service in the CBP for reciprocal recognition of service under present law. Provides that a member may transfer his years of service to another La. public retirement system should he become a member of such system. Should a member elect this option, the difference between the cost of his accrued years in the new system versus the amount in his CBP account will be calculated and the member may pay the difference in order to realize the total number of years, or he may take a transfer of the number of years his account balance will buy in the new system.

Proposed law provides for death, disability, and survivor benefits. If a CBP member dies without withdrawing from the plan or annuitizing his benefit, or if he becomes disabled, his designated beneficiary or his estate shall receive a lump-sum payment of his account balance.

Proposed law provides for annuitization of a CBP member's benefit. A member is eligible for an annuity if he has at least five years of membership in the CBP and has attained age 60. Provides further that the member may elect to receive an annuity throughout his life or he may elect to receive the actuarial equivalent of his retirement allowance as a reduced retirement allowance payable throughout his life pursuant to any retirement option provided in present law for defined benefit plan members. Provides that the system shall annuitize and pay any such allowance chosen by the member.

Proposed law prohibits a CBP member from participating in the Deferred Retirement Option Program (DROP) or any similar program that requires continued employment for participation. Nor shall any CBP member be eligible for Back-DROP.

Proposed law authorizes a CBP member to elect an initial benefit option, an initial lump sum benefit option, or any similar retirement option designed to provide a reduced annuity in exchange for a lump-sum payment upon separation of service.

Under proposed law, if a CBP member withdraws from the plan or annuitizes his benefit and then becomes reemployed in a position covered by the CBP, he shall start over from zero in terms of time in the CBP and benefit accruals. Such reemployment will not, however, affect his receipt of the lump sum or annuity from his first cash balance account.

Proposed law provides that the defined benefit plan provisions shall apply to the CBP for any matter on which the CBP provisions are silent. In case of conflict between the defined benefit plan provisions and the CBP provisions, the CBP provisions control.

Further provides that the Public Retirement Systems Actuarial Committee (PRSAC) shall meet as soon as practicable after the effective date of the Act to adopt a revised valuation for the system. Such revised valuation shall include a revised employer contribution rate for each plan within the system to be utilized in FY 2012-2013. Requires the revised valuation to take into account all changes enacted by the legislature in the 2012 R.S. Further authorizes PRSAC at such meeting to adopt a valuation prepared on behalf of the division of administration by a qualified actuary.

Provides for an expedited hearing in the courts for any legal issues raised in relation to the Act. Establishes venue in the 19th Judicial District. Requires that the attorney general and the governor be given notice and an opportunity to be heard. Requests a final disposition of legal issues at least 30 days prior to the prefiling deadline for the 2013 R.S.

Effective June 30, 2012.

(Amends R.S. 11:62(4)(intro. para.), (5)(intro. para.), and (11)(intro. para.), 102(B)(1) and (3)(a) and (d)(v), (vi), and (vii), 542(A)(2)(a), 883.1(A)(2)(a), and 1145.1(A)(1)(intro. para.) and (a), (C)(4)(a)(intro. para.), and (E); Adds R.S. 11:62(4.1), (5.1), and (11.1), 102(C)(1)(m), 542(C)(4)(d)(iii) and (e)(iii), 883.1(C)(4)(d)(iii) and (e)(iii), 1145.1(C)(4)(a)(iii) and (b)(iii), and 1399-1399.5)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Retirement to the original bill.

1. Changes the date the Cash Balance Plan (CBP) becomes mandatory from Jan. 1, 2013 to July 1, 2013.
2. Removes a prohibition on members who would have been in the Hazardous Duty Plan if they had been hired after Dec. 31, 2010, from opting into the CBP.
3. Authorizes a CBP member who has more than five years of membership in the plan upon withdrawal from the plan to take the total of his account balance as a direct transfer to another qualified retirement plan or an individual retirement account.
4. Requires the system to annuitize and pay any retirement option elected by a qualified CBP member.

5. Requires the valuation to be adopted by the Public Retirement Systems Actuarial Committee (PRSAC) to take into account all changes enacted by the legislature in the 2012 R.S.
6. Authorizes PRSAC to adopt for FY 2012-2013 an actuarial valuation or revised employer contribution rate prepared on behalf of the division of administration by a qualified actuary.
7. Adds an expedited hearing provision regarding legal challenges to the Act.