
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Laura Gail Sullivan.

DIGEST

Present law provides for retirement eligibility for members of the Louisiana State Employees' Retirement System (LASERS) and the Teachers' Retirement System of Louisiana (Teachers').

Present law generally provides for retirement eligibility in LASERS for rank-and-file members first employed before July 1, 2006, as follows:

1. 10 years of service credit at age 60.
2. 25 years of service credit at age 55.
3. 30 years of service credit at any age.
4. 20 years of service credit at any age, with an actuarially-reduced benefit.

Present law generally provides for retirement eligibility in LASERS for rank-and-file members first employed on or after July 1, 2006, and for Teachers' members first employed on or after Jan. 1, 2011 as follows:

1. 5 years of service credit at age 60.
2. 20 years of service credit at any age, with an actuarially-reduced benefit.

Present law provides for retirement eligibility for Teachers' members hired before July 1, 1999, with unreduced benefits as follows:

1. 20 years of service credit at age 65.
2. 25 years of service credit at age 55.
3. 30 years of service credit at any age.

Further provides that Teachers' members employed on or after July 1, 1999, may retire with:

1. 5 years of service credit at age 60.
2. 25 years of service credit at age 55.
3. 30 years of service credit at any age.

4. 20 years of service credit at any age, with an actuarially-reduced benefit.

Proposed law provides for a schedule of retirement ages for nonhazardous duty members of LASERS and higher education members of Teachers' based on the member's service credit on June 30, 2012. Provides that a member may retire no earlier than:

1. Age 55 if he has at least 25 years of service.
2. Age 58 if he has at least 20 but fewer than 25 years of service.
3. Age 61 if he has at least 15 but fewer than 20 years of service.
4. Age 64 if he has at least 10 but fewer than 15 years of service.
5. Age 67, or the Social Security age if higher, if he has fewer than 10 years of service.

Proposed law specifies that nothing in proposed law shall be construed to provide an earlier retirement eligibility than the eligibility in present law.

Proposed law provides that a member shall be eligible to retire under any otherwise applicable provision of present law with his retirement benefit reduced by selecting a benefit reduction option provided by proposed law.

Specifies that any other applicable actuarial reduction provided for in present law shall also be made to his retirement benefit. Further specifies that in no event shall any member who has completed the Deferred Retirement Option Plan (DROP) receive his supplemental benefit before he has attained the retirement age established by proposed law.

Proposed law retains eligibility with 30 years of service at any age for members to whom this provision of present law applies. Further provides that certain other active employees for whom present law provides eligibility at age 60 may still retire at age 60, rather than the higher age provided by proposed law, with 30 years of service.

Proposed law does not apply to anyone who is at least 55 years old on June 30, 2012.

Present law provides that valuations shall be presented to the committee for consideration by the legislative auditor's office and the retirement system. Proposed law expands the agencies which may present actuarial valuations to the Public Retirement Systems' Actuarial Committee for consideration to include the division of administration, for purposes of determining the employer contribution rate to be remitted for the fiscal year beginning July 1, 2012.

Proposed law provides for an expedited hearing process if proposed law is subjected to legal challenges. Provides for severability if a court declares any provisions of proposed law to be unconstitutional as applicable to certain members of LASERS and Teachers', retaining application of the Act to the remaining members of the system.

Effective June 30, 2012.

(Amends R.S. 11:441(A)(1)(intro para) and (2)(a)(intro para) and (b)(intro para), and 761(A)(1)(intro para), (2)(a)(intro para), (3)(intro para), and (4); adds R.S. 11:441(A)(4) and 761(A)(5))