

Regular Session, 2012

HOUSE BILL NO. 1064

BY REPRESENTATIVE HOFFMANN

RETIREMENT/DISTRICT ATTY: Provides relative to the District Attorneys' Retirement System

1 AN ACT

2 To amend and reenact R.S. 11:62(12), 1581(5), and 1631(F)(1) and to enact R.S.
3 11:1636(C), relative to the District Attorneys' Retirement System; to provide relative
4 to benefits; to provide relative to the funding of benefits; to provide for definitions;
5 to provide for implementation; and to provide for related matters.

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

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:62(12), 1581(5), and 1631(F)(1) are hereby amended and
11 reenacted and R.S. 11:1636(C) is hereby enacted to read as follows:

12 §62. Employee contribution rates established

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

- 15 * * *
- 16 (12) District Attorneys' Retirement System - ~~7%~~ 8%.
- 17 * * *

18 §1581. Definitions

19 The following words and phrases, as used in this Chapter, unless a different
20 meaning is plainly required by the context, shall have the following meanings:

- 21 * * *

1 (5) "Average final compensation" shall mean the average monthly
2 compensation earned by an employee during any period of ~~thirty-six~~ sixty successive
3 months of service as an employee during which the said earned compensation was
4 the highest. The average monthly compensation shall include compensation not paid
5 by the state, but only to the extent that ~~non-state~~ nonstate compensation for the
6 thirteenth through the twenty-fourth month does not exceed one hundred ten percent
7 of the total of ~~non-state~~ nonstate compensation for the first through twelfth month,
8 and that ~~non-state~~ nonstate compensation for the ~~final twelve months~~ does not exceed
9 ~~one hundred ten percent of the total of non-state compensation for the thirteenth~~
10 ~~through the twenty-fourth month~~ twenty-fifth through the thirty-sixth month does not
11 exceed one hundred ten percent of the total of nonstate compensation for the
12 thirteenth through the twenty-fourth month, and that nonstate compensation for the
13 thirty-seventh through the forty-eighth month does not exceed one hundred ten
14 percent of the total of nonstate compensation for the twenty-fifth through thirty-sixth
15 month, and that nonstate compensation for the forty-ninth through the sixtieth month
16 does not exceed one hundred ten percent of the total of nonstate compensation for
17 the thirty-seventh through forty-eighth month. Fees earned in connection with
18 official duties shall not be included in average final compensation. In the event of
19 interruption of employment, the ~~thirty-six-month~~ sixty-month period shall be
20 computed by joining employment periods immediately preceding and succeeding the
21 interruption.

* * *

§1631. Retirement benefits; application; eligibility requirements

* * *

25 F.(1) Except as provided in Paragraph (2) of this Subsection, if any member
26 who has retired from this system is reemployed as an employee by any district
27 attorney in the state, his retirement benefit shall be suspended during said
28 employment, and he shall not be paid any benefits for the period covered by such
29 employment. He shall, upon such reemployment, again become an active

1 contributing member of the system, with the option of establishing service credit for
 2 any period of full-time employment as district attorney or assistant district attorney
 3 since returning to such employment following retirement by payment into the system
 4 the employer and employee amount plus interest that would have been withheld and
 5 paid into the system for that period based upon his total salary for such period. He
 6 shall accrue a supplemental retirement benefit based on his service rendered after
 7 reemployment. If the member continues employment after retirement for a period
 8 of less than ~~thirty-six~~ sixty months, his supplemental monthly retirement benefit
 9 shall equal the benefit ~~accrued~~ calculated under R.S. 11:1632 or 1633, whichever is
 10 applicable, based on the lesser of his average final compensation at his original
 11 retirement date or his average final compensation during the period of his subsequent
 12 reemployment. If the member continues in employment after retirement for a period
 13 of ~~thirty-six~~ sixty months or more, his supplemental monthly retirement benefit shall
 14 equal the benefit ~~accrued~~ calculated under R.S. 11:1632 or 1633, whichever is
 15 applicable, based on his average final compensation during his period of
 16 reemployment. Upon retirement subsequent to reemployment, his benefit shall be
 17 equal to the benefits he was receiving immediately prior to reemployment plus the
 18 supplemental benefit earned during his reemployment.

* * *

20 §1636. Survivors' benefits

* * *

22 C. Upon the death of an active contributing member who is eligible to retire,
 23 the spouse eligible for benefits payable under Paragraph (B)(1) of this Section may
 24 elect to receive such benefits in the same manner as described in R.S. 11:1644 as if
 25 the member had retired and elected Option Two Back-DROP benefits on the day
 26 following the member's death.

27 Section 2. The amendments to R.S. 11:1581(5) contained in this Act shall be
 28 implemented as follows: for members retiring on or after January 1, 2013, and on or before
 29 December 31, 2014, the period used to calculate the average final compensation shall be

1 thirty-six months plus the number of whole months since January 1, 2013, until the date of
2 retirement. Notwithstanding any other provision of this Section to the contrary, for all
3 members enrolled in the system on January 1, 2013, the monthly average final compensation
4 expressed in dollars used to compute their benefit after the effective date of this Act shall
5 not be less than the dollar amount of the average monthly earnings during the member's
6 highest thirty-six consecutive months or joined months of service earned for employment
7 before the effective date of this Act as determined under R.S. 11:1581(5) as it provided prior
8 to amendment by this Act.

9 Section 3. The provisions of this Act shall become effective January 1, 2013.

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)]

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% to 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))