
DIGEST

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Pearson

HB No. 1202

Abstract: Relative to the District Attorneys' Retirement System (DARS), provides relative federal tax qualification status of the system.

Proposed law provides for compliance by DARS with applicable federal tax qualification requirements of the Internal Revenue Code and federal regulations as follows:

Present law provides for the calculation of the average final compensation of a member which is used to calculate his retirement benefit.

Proposed law provides that average final compensation shall not take into account compensation in excess of \$200,000, but provides that this cap is subject to cost-of-living adjustments in accordance with federal law.

Present law provides for purchase of service credit under specified circumstances.

Proposed law requires the system to accept as payment for such service credit funds from various federally qualified retirement and annuity accounts and governmental deferred compensation arrangements.

Present law provides that a retirement benefit is based on the member's years of service.

Proposed law provides that if a member takes a leave of absence for certain military service and returns to employment, he shall share in employer contributions made during his military service and shall be allowed to make the employee contributions that he would have made during that time. Requires the system to accept direct transfers from specified federally qualified accounts or arrangements in satisfaction of the member's payment. Further provides that if a member dies or becomes disabled on or after Jan. 1, 2007, while performing qualified military service, the member's beneficiary is entitled to any additional benefits, other than benefit accruals relating to the period of qualified military service, provided under the system as if the member had resumed and then terminated employment on account of death or disability. Requires the system to credit the member's qualified military service as service for vesting purposes.

Proposed law provides that the maximum benefit a retiree may receive that is not attributable to employee contributions is \$200,000 as adjusted for cost-of-living increases in accordance with federal law and adjusted annually to the maximum dollar limits allowable as determined by the commissioner of the Internal Revenue Service. Requires this maximum amount also be adjusted

in accordance with the Social Security Act if the member begins receiving a benefit before age 62. If the annuity starting date for the member's benefit is after he has reached age 65, the limitation is the annual amount of a benefit payable in the form of a straight life annuity commencing at the member's annuity starting date that is the actuarial equivalent of the defined benefit dollar limitation adjusted for years of participation less than 10. Proposed law requires the board of trustees of the system to administer a separate, nonqualified, unfunded excess benefit arrangement from which retirees may be paid benefits in excess of the limitation provided by proposed law.

Proposed law further provides for calculation of aggregate contribution and benefit limits for members also covered by other plans maintained by the employer.

Present law provides that if a member ceases to be an employee except by death or retirement, he shall be paid the accumulated contributions that have been credited to him. If a member dies before retirement, his accumulated contributions shall be paid to his estate or to his designee.

Proposed law requires that the member or other recipient of such funds be allowed to have the funds distributed as a direct rollover to a qualified retirement plan.

Present law provides for payment of survivor benefits upon the death of an active contributing member with at least five years of service or any member with at least 23 years of service who has not retired. Proposed law requires such distributions to survivors be made in accordance with federal law.

Effective Jan. 1, 2013.

(Amends R.S. 11:1581(5), 1612, 1614, 1617, and 1635; Adds R.S. 11:1588, 1632(C), (D), (E), and (F), 1633(C), 1636(C) and (D), 1638(C), 1645, and 1646)