

Regular Session, 2012

SENATE BILL NO. 749 (Substitute of Senate Bill No. 51 by Senator Guillory)

BY SENATOR GUILLORY

RETIREMENT BENEFITS. Provides for retirement eligibility for certain state employees.
(6/30/12)

1 AN ACT

2 To amend and reenact R.S. 11:102(B)(1) and (3)(a) and (d)(i), (iv), (v), and (vii) and (C)(2),
3 (3), and (4)(a), 441(A)(1)(introductory paragraph) and (2)(a)(introductory paragraph)
4 and (b)(introductory paragraph), and 761(A)(1)(introductory paragraph),
5 (2)(a)(introductory paragraph), (3)(introductory paragraph), and (4) and to enact R.S.
6 11:102(D), 441(A)(4), 761(A)(5), and 786(A)(4), relative to retirement eligibility;
7 to provide a schedule of retirement ages for certain members of the Louisiana State
8 Employees' Retirement System and the Teachers' Retirement System of Louisiana;
9 to provide for an effective date; and to provide for related matters.

10 Notice of intention to introduce this Act has been published.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 11:102(B)(1) and (3)(a) and (d)(i), (iv), (v), and (vii) and
13 (C)(2), (3), and (4)(a), 441(A)(1)(introductory paragraph) and (2)(a)(introductory
14 paragraph) and (b)(introductory paragraph), and 761(A)(1)(introductory paragraph),
15 (2)(a)(introductory paragraph), (3)(introductory paragraph), and (4) are hereby
16 amended and reenacted and R.S. 11:102(D), 441(A)(4), 761(A)(5), and 786(A)(4),
17 are hereby enacted to read as follows:

§102. Employer contributions; determination; state systems

* * *

B.(1) Except as provided in Subsections C and D of this Section ~~for the Louisiana State Employees' Retirement System~~ and except as provided in R.S. 11:102.1 and 102.2 and in Paragraph (5) of this Subsection, for each fiscal year, commencing with Fiscal Year 1989-1990, for each of the public retirement systems referenced in Subsection A of this Section, the legislature shall set the required employer contribution rate equal to the actuarially required employer contribution, as determined under Paragraph (3) of this Subsection, divided by the total projected payroll of all active members of each particular system for the fiscal year. Each entity funding a portion of a member's salary shall also fund the employer's contribution on that portion of the member's salary at the employer contribution rate specified in this Subsection.

* * *

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

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

* * *

(d) That fiscal year's payment, computed as of the first of that fiscal year and projected to the middle of that fiscal year at the actuarially assumed interest rate,

1 necessary to amortize changes in actuarial liability due to:

2 (i) Except as provided in Items (v), (vi), (vii), and (viii) of this Subparagraph
3 **and in Subsection D of this Section**, actuarial gains and losses, if appropriate for
4 the funding method used by the system as specified in R.S. 11:22, for each fiscal
5 year beginning after June 30, 1988, such payments to be computed as an amount
6 forming an annuity increasing at four and one-half percent annually over the later of
7 a period of fifteen years from the year of occurrence or by the year 2029, such gains
8 and losses to include any increases in actuarial liability due to governing authority
9 granted cost-of-living increases.

10 * * *

11 (iv) Except as provided in Items (v), (vi), (vii), and (viii) of this Subparagraph
12 **and in Subsection D of this Section**, changes in actuarial accrued liability,
13 computed using the actuarial funding method as specified in R.S. 11:22, due to
14 legislation changing plan provisions, such payments to be computed in the manner
15 and over the time period specified in the legislation creating the change or, if not
16 specified in such legislation, as an amount forming an annuity increasing at four and
17 one-half percent annually over the later of a period of fifteen years from the year of
18 occurrence of the change or by the year 2029.

19 (v) ~~Effective~~ **Except as provided in Subsection D of this Section, effective**
20 July 1, 2004, and beginning with Fiscal Year 1998-1999, the amortization period for
21 the changes, gains, or losses of the Louisiana State Employees' Retirement System
22 provided in Items (i) through (iv) of this Subparagraph shall be thirty years, or in
23 accordance with standards promulgated by the Governmental Accounting Standards
24 Board, from the year in which the change, gain, or loss occurred. The outstanding
25 balances of amortization bases established pursuant to Items (i) through (iv) of this
26 Subparagraph before Fiscal Year 1998-1999, shall be amortized as a level dollar
27 amount from July 1, 2004, through June 30, 2029. Beginning with Fiscal Year 2003-
28 2004, and for each fiscal year thereafter, the outstanding balances of amortization
29 bases established pursuant to Items (i) through (iv) of this Subparagraph shall be

1 amortized as a level dollar amount. For the Louisiana State Employees' Retirement
2 System, effective for the June 30, 2010, system valuation and beginning with Fiscal
3 Year 2011-2012, amortization payments for changes in actuarial liability shall be
4 determined in accordance with Subsection C of this Section.

5 * * *

6 (vii) Effective Except as provided in Subsection D of this Section,
7 effective July 1, 2004, and beginning with Fiscal Year 2000-2001, the amortization
8 period for the changes, gains, or losses of the Teachers' Retirement System of
9 Louisiana provided in Items (i) through (iv) of this Subparagraph shall be thirty
10 years, or in accordance with standards promulgated by the Governmental Accounting
11 Standards Board, from the year in which the change, gain, or loss occurred. The
12 outstanding balances of amortization bases established pursuant to Items (i) through
13 (iv) of this Subparagraph before Fiscal Year 2000-2001, shall be amortized as a level
14 dollar amount from July 1, 2004, through June 30, 2029. Beginning with Fiscal Year
15 2003-2004, and for each fiscal year thereafter, the outstanding balances of
16 amortization bases established pursuant to Items (i) through (iv) of this Subparagraph
17 shall be amortized as a level dollar amount.

18 * * *

19 C. * * *

20 (2) For the Louisiana State Employees' Retirement System, effective for the
21 June 30, 2010, system valuation and beginning with Fiscal Year 2011-2012, the
22 normal cost calculated pursuant to Subparagraph (B)(3)(a) of this Section, shall be
23 calculated separately for each particular plan within the system. An employer shall
24 pay employer contributions for each employee at the rate applicable to the plan of
25 which that employee is a member. Beginning with the June 30, 2012, system
26 valuation, the normal cost for each plan shall be subject to the provisions of
27 Subsection D of this Section.

28 (3) For the Louisiana State Employees' Retirement System, effective for the
29 June 30, 2010, system valuation and beginning with Fiscal Year 2011-2012, changes

1 in actuarial liability due to legislation, changes in governmental organization, or
2 reclassification of employees or positions shall be calculated individually for each
3 particular plan within the system based on each plan's actuarial experience as further
4 provided in Subparagraph (4)(c) of this Subsection. **Beginning with the June 30,**
5 **2012, system valuation, this calculation for each plan shall be subject to the**
6 **provisions of Subsection D of this Section.**

7 (4) For each plan referenced in Paragraph (1) of this Subsection, the
8 legislature shall set the required employer contribution rate equal to the sum of the
9 following:

10 (a) The particularized normal cost rate. The normal cost rate for each fiscal
11 year shall be the employer's normal cost for the plan computed by applying the
12 method specified in R.S. 11:102(B)(1) and (3)(a) to the plan. **Beginning with the**
13 **June 30, 2012, system valuation, the normal cost for each plan shall be subject**
14 **to the provisions of Subsection D of this Section.**

15 * * *

16 **D. (1) The employer contribution rate for the Louisiana State Employees'**
17 **Retirement System and the Teachers' Retirement System of Louisiana, for any**
18 **valuation prepared following enactment of the Act that originated as Senate Bill**
19 **No. 749 of the 2012 Regular Session, shall be the rate determined pursuant to**
20 **Subsections B and C of this Section without regard to any gains or changes in**
21 **the normal cost rate produced by the Act that originated as Senate Bill No. 749**
22 **of the 2012 Regular Session. Neither the employer normal cost rate nor the**
23 **amortization payments shall be reduced as a result of the application of the**
24 **provisions of the Act that originated as Senate Bill No. 749 of the 2012 Regular**
25 **Session.**

26 **(2) The amortization of any gain produced by the Act which originated**
27 **as Senate Bill No. 749 of the 2012 Regular Session plus the dollar amount**
28 **attributable to the difference between the employer normal cost rate required**
29 **as calculated pursuant to Paragraph (1) of this Subsection minus the employer**

normal cost rate calculated pursuant to the provisions of Subsections B and C of this Section without regard to Paragraph (1) of this Subsection shall be determined and applied as follows for each year beginning with Fiscal Year 2013-14:

(a) To the outstanding balance of the original amortization base without reamortization of such base and until such base is fully liquidated.

(b) After the liquidation of the original amortization base, to the outstanding balance of the experience account amortization base without reamortization of such base and until such base is fully liquidated.

(c) After the liquidation of the experience account amortization base, to the balance of the oldest outstanding amortization base without reamortization of such base and until all such bases are fully liquidated.

* * *

§441. Eligibility for retirement

A.(1) ~~Any~~ Subject to the provisions of Paragraph (4) of this Subsection, ~~any~~ member hired on or before June 30, 2006, or any member who receives a benefit calculated pursuant to R.S. 11:444(A)(2)(b) and whose first employment making him eligible for membership in one of the state systems occurred on or before December 31, 2010, shall be eligible for retirement if he has:

* * *

(2)(a) ~~Any~~ Subject to the provisions of Paragraph (4) of this Subsection, ~~any~~ member hired on or after July 1, 2006, shall be eligible for retirement if he has:

* * *

(b) Except for members of the Hazardous Duty Services Plan, as defined in R.S. 11:612 and subject to the provisions of Paragraph (4) of this Subsection, any member whose first employment making him eligible for membership in one of the state systems occurred on or after January 1, 2011, and on or before June 30, 2013, including any judge, court officer, governor, lieutenant governor, clerk or sergeant-at-arms of the House of Representatives, secretary or sergeant-at-arms of

the Senate, or state treasurer, shall be eligible for retirement if he has:

* * *

(4)(a) Notwithstanding the provisions of R.S. 24:36 or any other law to the contrary, any member whose first employment making him eligible for state system membership occurred on or before June 30, 2013, including any elected official, the clerk or sergeant-at-arms of the House of Representatives, or the secretary or sergeant-at-arms of the Senate, who retires with fewer than thirty years of service may retire with an unreduced benefit no earlier than:

(i) Age fifty-five if he has at least fifteen but fewer than twenty years of service on June 30, 2013.

(ii) Age fifty-seven if he has at least ten but fewer than fifteen years of service on June 30, 2013.

(iii) Age sixty if he has at least five but fewer than ten years of service on June 30, 2013.

(iv) Age sixty-five if he has fewer than five years of service on June 30, 2013.

(b) Nothing in this Paragraph shall be construed to provide an earlier retirement eligibility for any member than prescribed by Paragraph (1), (2), or (3) of this Subsection.

(c) Any member to whom Subparagraph (a) of this Paragraph applies shall be eligible to retire under any applicable provision of law; however, if he retires before attaining the age established in this Paragraph, he shall receive an actuarially-reduced benefit. Notwithstanding any provision of law to the contrary, such a member shall not be eligible to participate in the Deferred Retirement Option Plan provided by R.S. 11:447 or the Initial Benefit Option provided by R.S. 11:446(A)(5).

(d)(i) A member whose first employment making him eligible for state system membership occurred on or after July 1, 2013, is eligible for retirement with an unreduced benefit if he has at least five years of service and has attained

1 the higher of age of sixty-seven or the retirement age provided for by the Social
2 Security Act, 42 U.S.C. 416.

3 (ii) A member to whom Item (i) of this Subparagraph applies may retire
4 with twenty years of service credit at any age, exclusive of military service and
5 unused annual and sick leave, but any person retiring under this Item shall have
6 his benefit, inclusive of military service credit and allowable unused annual and
7 sick leave, actuarially reduced. Any employee who elects to retire under the
8 provisions of this Item shall not be eligible to participate in the Deferred
9 Retirement Option Plan provided by R.S. 11:447 or the Initial Benefit Option
10 provided by R.S. 11:446(A)(5).

11 (e) The provisions of Subparagraphs (a), (b), (c), and (d) of this
12 Paragraph shall not apply to the following persons, who may retire under any
13 provision of this Chapter applicable to their service in the system:

14 (i) A member who was born on or before June 30, 1958.

15 (ii) A member who is or has been an elected judge or court officer, as
16 provided in R.S. 11:553.

17 (iii) A member of the Hazardous Duty Services Plan.

18 (iv) Any person who would have been a member of the Hazardous Duty
19 Services Plan had his first employment occurred after December 31, 2010.

20 (v) Any member who is a public safety services employee referred to as
21 "member" in R.S. 11:601(B); a peace officer employed by the Department of
22 Public Safety and Corrections, office of state police, other than state troopers,
23 as provided in R.S. 11:444(A)(2)(b); an employee of the Department of Revenue,
24 office of alcohol and tobacco control, as provided in R.S. 11:444(A)(2)(c); a
25 wildlife agent; or an employee of the bridge police.

26 (vi) A member who has at least twenty years of service credit on June
27 30, 2013.

28 (vii) A member who separated from service on or before June 30, 2013,
29 who does not return to service before beginning receipt of his benefit pursuant

1 to the provisions of this Chapter.

2 * * *

3 §761. Retirement benefits; application; eligibility requirements; effective date;
4 cancellation; errors and omissions

5 A.(1) ~~Any~~ Subject to the provisions of Paragraph (4) of this Subsection,
6 any person who became a member prior to July 1, 1999, may retire upon written
7 application to the board of trustees, if at the time of application the member:

8 * * *

9 (2)(a) ~~Any~~ Subject to the provisions of Paragraph (4) of this Subsection,
10 any person who became a member on or after July 1, 1999, may retire upon written
11 request to the board of trustees, if the member:

12 * * *

13 (3) ~~Any~~ Subject to the provisions of Paragraph (4) of this Subsection, any
14 person whose first employment making him eligible for membership in one of the
15 state systems occurred on or after January 1, 2011, may retire upon written
16 application to the board of trustees, if at the time of application the member:

17 * * *

18 (4)(a) The provisions of this Paragraph shall apply to a member who is
19 employed by an institution of postsecondary education, the Board of Regents,
20 or a postsecondary education management board but who is not a member of
21 the optional retirement plan. Nothing in this Paragraph shall be construed to
22 provide an earlier retirement eligibility for any member than prescribed by
23 Paragraph (1), (2), or (3) of this Subsection or in R.S. 11:768, whichever is
24 applicable.

25 (a) Any member to whom this Paragraph applies whose first
26 employment making him eligible for state system membership occurred on or
27 before June 30, 2013, who retires with fewer than thirty years of service may
28 retire with an unreduced benefit no earlier than:

29 (i) Age fifty-five if he has at least fifteen but fewer than twenty years of

1 service on June 30, 2013.

2 (ii) Age fifty-seven if he has at least ten but fewer than fifteen years of
3 service on June 30, 2013.

4 (iii) Age sixty if he has at least five but fewer than ten years of service
5 on June 30, 2013.

6 (iv) Age sixty-five if he has fewer than five years of service on June 30,
7 2013.

8 (b) Any member to whom Subparagraph (a) of this Paragraph applies
9 shall be eligible to retire under any applicable provision of law; however, if he
10 retires before attaining the age established in this Paragraph, he shall receive
11 an actuarially-reduced benefit. Notwithstanding any provision of law to the
12 contrary, such a member shall not be eligible to participate in the Deferred
13 Retirement Option Plan provided by R.S. 11:786 or the Initial Lump-Sum
14 Benefit option provided by R.S. 11:783.

15 (c)(i) Any member to whom this Paragraph applies whose first
16 employment making him eligible for state system membership occurred on or
17 after July 1, 2013, is eligible for retirement if he has at least five years of service
18 and has attained the higher of age sixty-seven or the retirement age provided
19 for by the Social Security Act, 42 U.S.C. 416.

20 (ii) A member to whom Item (i) of this Subparagraph applies may retire
21 with twenty years of service credit at any age, exclusive of military service and
22 unused annual and sick leave, but any person retiring under this Item shall have
23 his benefit, inclusive of military service credit and allowable unused annual and
24 sick leave, actuarially reduced. Any member who elects to retire under the
25 provisions of this Item shall not be eligible to participate in the Deferred
26 Retirement Option Plan provided by R.S. 11:786 or the Initial Lump-Sum
27 Benefit option provided by R.S. 11:783.

28 (d) The provisions of Subparagraphs (a), (b), and (c) of this Paragraph
29 shall not apply to the following persons, who may retire under any provision of

this Chapter applicable to their service in the system:

(i) A member who was born on or before June 30, 1958.

(ii) A member who has at least twenty years of service credit on June 30, 2013.

(iii) A member who is employed by an institution of postsecondary education or a postsecondary education management board for the sole purpose of providing instruction or administrative services at the primary or secondary level, including at any lab school and the Louisiana School for Math, Science, and the Arts.

(iv) A member who separated from service on or before June 30, 2013, who does not return to service before beginning receipt of his benefit pursuant to the provisions of this Chapter.

~~(5)(a)~~ A properly executed application for retirement shall be considered as officially filed when received by the board of trustees of this system. Retirement benefits shall become effective as of the date a properly executed application for retirement is received by the board of trustees of this system or the day after the member terminates from teaching service, whichever is later.

(b) A member may cancel his application for retirement only prior to negotiating, cashing, or depositing any benefit check including an estimated benefit check.

* * *

§786. Deferred Retirement Option Plan

A.(1) * * *

(4) Notwithstanding any other provision of law to the contrary, a system member to whom the Act which originated as Senate Bill No. 749 of the 2012 Regular Session applies may elect to participate in the Deferred Retirement Option Plan pursuant to the provisions of this Section after he attains eligibility for an unreduced benefit pursuant to R.S. 11:761(A)(4).

* * *

1 Section 2.(A) Notwithstanding any other provision of law to the contrary, any
2 member of the Teachers' Retirement System of Louisiana to whom the provisions of this Act
3 apply who has credit in the system for at least one year of service shall be eligible to obtain
4 credit for purposes of attaining eligibility for retirement and calculation of benefits for up
5 to five years of service credit in one-year increments provided that he shall apply to the
6 system for such credit after January 1, 2013, and on or before January 1, 2015, and pay to
7 the system by June 30, 2015, the amount calculated in accordance with the actuarial cost
8 provisions of R.S. 11:158, which totally offsets the increase in accrued liability of the system
9 resulting from the receipt of the credit by the member. The amount to be paid shall be paid
10 in one lump sum, and no service credit shall be given to the member until or unless the
11 amount is paid in full.

12 (B) Any service credit purchased on or before June 30, 2015, by a member of the
13 Louisiana State Employees' Retirement System or the Teachers' Retirement System of
14 Louisiana for purposes of eligibility shall be applied to determine the member's earliest
15 retirement age pursuant to R.S. 11:441(A)(4) or R.S. 11:761(A)(4).

16 Section 3. The provisions of this Act and the provisions of the Acts which originated
17 as Senate Bill No. 47 and Senate Bill No. 52 of the 2012 Regular Session shall not apply to
18 any member of the Teachers' Retirement System of Louisiana whose membership in the
19 system is based solely on employment as a teacher in a public elementary or secondary
20 school.

21 Section 4. In case of any conflict between the provisions of this Act and the
22 provisions of any other Act of the 2012 Regular Session of the Legislature, the provisions
23 of this Act shall control, regardless of the order of passage.

24 Section 5. The Public Retirement Systems' Actuarial Committee may adopt an
25 actuarial valuation to be utilized in the fiscal year which begins on July 1, 2013, calculated
26 in accordance with R.S. 11:102, which has been prepared on behalf of the division of
27 administration by a member of the American Academy of Actuaries who meets the
28 qualification requirements of the academy to issue a particular statement of actuarial
29 opinion.

1 Section 6. Because the legislature finds and declares that questions of law may be
2 raised by some persons with respect to the constitutionality of some of the provisions of this
3 Act, the public welfare requires that such questions of law be resolved with expedition prior
4 to such time as its provisions take effect in order to avoid disruption of the orderly
5 implementation of its provisions. Therefore, the legislature finds that an expedited hearing
6 schedule for actions filed relative to the constitutionality of any provision of this Act should
7 be immediately made available in order to avoid confusion by the public. Therefore, any
8 domiciliary of this state may institute an action in the Nineteenth Judicial District Court
9 seeking a declaratory judgment to determine the constitutionality of the provisions of this
10 Act. In the interest of further expediting this procedure, the Nineteenth Judicial District
11 Court, First Circuit Court of Appeal, and Louisiana Supreme Court are urged to minimize
12 all unnecessary delays in order to resolve any questions of law no later than thirty days prior
13 to the prefiling deadline for retirement legislation for the 2013 Regular Session, and the
14 courts may suspend all applicable rules of court for this limited purpose.

15 Section 7. If a final judgment declares any of the provisions of this Act
16 unconstitutional or unconstitutional as applied to a particular class of employees, the other
17 provisions of this Act shall remain in effect and also shall be applicable to all other classes
18 of employees unrelated to the judgment.

19 Section 8. This Act shall become effective on June 30, 2012; if vetoed by the
20 governor and subsequently approved by the legislature, this Act shall become effective on
21 June 30, 2012, or on the day following such approval by the legislature, whichever is later.

The original instrument was prepared by Laura Gail Sullivan. The following digest, which does not constitute a part of the legislative instrument, was prepared by Margaret M. Corley.

DIGEST

Guillory (SB 749)

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, 2013. Provides that a member may retire no earlier than:

1. Age 55 if he has at least 15 but fewer than 20 years of service.
2. Age 57 if he has at least 10 but fewer than 15 years of service.
3. Age 60 if he has at least 5 but fewer than 10 years of service.
4. Age 65 if he has fewer than 5 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 actuarially reduced.

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, 2013.

Proposed law does not apply to anyone who has at least 20 years of service credit on June 30, 2013.

Proposed law does not apply to anyone who has separated from service on or before June 30, 2013, who does not return to service before beginning receipt of his benefit.

Proposed law provides that anyone who elects to receive an actuarially reduced benefit may not participate in the Deferred Retirement Option Program or the Initial Lump-Sum Benefit (Teachers') or the Initial Benefit Option (LASERS).

Proposed law provides that members of Teachers' who are affected proposed law may purchase service credit for purposes of attaining eligibility for retirement and calculation of benefits for up to 5 years of service credit in 1 year increments. Proposed law allows those affected members of Teachers' to apply for such service credit between January 1, 2013, and January 1, 2015. If such credit is purchased prior to June 30, 2015, by a member of LASERS or Teachers', the credit shall be applied to determine the member's earliest retirement age under proposed law.

Present law provides that valuations shall be presented by the legislative auditor's office and the retirement system to the Public Retirement Systems' Actuarial Committee for consideration. Proposed law expands the agencies which may present actuarial valuations to the committee for consideration to include the division of administration for the fiscal year beginning July 1, 2013.

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 proposed law to the remaining members of the system.

Effective June 30, 2012.

(Amends R.S. 11:102(B)(1) and (3)(a) and (d)(i), (iv), (v), and (vii) and C(2), (3), and (4)(a), 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. 11:102(D), 441(A)(4), 761(A)(5) and 786(A)(4))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the engrossed bill

1. 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, 2013. Provides that a member may retire no earlier than:
 - a. Age 55 if he has at least 15 but fewer than 20 years of service.
 - b. Age 57 if he has at least 10 but fewer than 15 years of service.
 - c. Age 60 if he has at least 5 but fewer than 10 years of service.
 - d. Age 65 if he has fewer than 5 years of service.
2. Proposed law does not apply to anyone who has separated from service on or before June 30, 2013, who does not return to service before beginning receipt of his benefit.

3. Proposed law provides that anyone who elects to receive an actuarially reduced benefit may not participate in the Deferred Retirement Option Program.
4. Proposed law provides that members of Teachers' who are effected by proposed law purchase service credit for purposes of attaining eligibility for retirement and calculation of benefits for up to 5 years of service credit in 1 year increments. Proposed law allows those affected members of Teachers' to apply for such service credit between January 1, 2013, and January 1, 2015. If such credit is purchased prior to June 30, 2015, by a member of LASERS or Teachers', the credit shall be applied to determine the member's earliest retirement age under proposed law.