
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.