

2016 Regular Session

SENATE BILL NO. 6

BY SENATOR PEACOCK

SCHOOL EMPLOYEES RET. Provides relative to contributions of members out of service for five years. (6/30/16)

AN ACT

To amend and reenact R.S. 11:1149, relative to the Louisiana School Employees' Retirement System; to provide relative to contributions of members out of service for five years; to provide for an effective date; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:1149 is hereby amended and reenacted to read as follows:

§1149. Contributions of members out of service for five years

Whenever a member who has less than ten years of service credit has been out of service for five years without having applied for a refund of contributions, the retirement system shall transmit to him by certified mail, return receipt requested, at his last known address, a notification of his rights with respect to the **contributions. The notification shall include information regarding his rights to the** refund of contributions, his rights to leave the contributions in the system if he plans to reenter service, ~~and~~ his rights to use the contributions for reciprocity **or transfer of service credit** if he becomes a member of another system, **and any rights he may have to a retirement allowance pursuant to R.S. 11:1142.** ~~If the~~

1 ~~retirement system does not receive any response to the notification within ninety~~
2 ~~days of mailing, the contributions to which the member is entitled shall be placed to~~
3 ~~the credit of the pension accumulation fund.~~ Upon a valid request for a refund of
4 contributions, such refund will be made from the ~~pension accumulation~~ annuity
5 savings fund.

6 Section 2. This Act shall become effective on June 30, 2016; if vetoed by the
7 governor and subsequently approved by the legislature, this Act shall become effective on
8 June 30, 2016, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Margaret M. Corley.

DIGEST

SB 6 Engrossed

2016 Regular Session

Peacock

Present law, relative to the La. School Employees' Retirement System (LSERS), provides for notification procedures informing any member who has less than 10 years of service credit and who has been out of service for five years without having applied for a refund of contributions of his rights with respect to his contributions, including his right to a refund and his right to leave the contributions with the system if he plans to reenter service covered by LSERS on another system.

Proposed law retains present law and specifies that the notification shall include information on his rights to use the contributions for a transfer of service credit and any rights he may have to receive a retirement allowance pursuant to present law.

Present law provides that in the event the system does not receive any response to the notification within 90 days of mailing, the contributions shall be credited to the pension accumulation fund.

Proposed law removes the requirement to credit contributions to the pension accumulation fund.

Effective June 30, 2016.

(Amends R.S. 11:1149)