

TITLE 11

CONSOLIDATED PUBLIC RETIREMENT SYSTEMS

SUBTITLE I. GENERAL AND PRELIMINARY PROVISIONS

CHAPTER 1. PRELIMINARY PROVISIONS

§1. Short title

This Title shall be known as the "Louisiana Public Retirement Law".

Acts 1988, No. 81, §2, eff. July 1, 1989.

§2. Purpose of Title

The purpose of this Title is to consolidate public retirement law in order to effectively comply with the mandate of Article X, Section 29(E) of the Constitution of Louisiana to maintain public retirement systems on a sound actuarial basis.

Acts 1988, No. 81, §2, eff. July 1, 1989.

§3. Conflicts; provisions of Title to control

Except as is specifically otherwise provided, the provisions of this Title do not repeal comparable provisions contained within separate laws governing state and statewide public retirement systems. However, the provisions of this Title shall be controlling in case of conflict with the separate laws. The separate laws shall continue to be operable to the extent they are not in conflict with the provisions of this Title.

Acts 1988, No. 81, §2, eff. July 1, 1989.

§4. Classifications of public retirement systems; state systems; statewide systems

As used in this Title, unless the context clearly indicates otherwise, the following terms shall have the meanings ascribed to them:

A.(1) The term "state retirement system", "state system", or "state pension or retirement system, plan, or fund" shall mean one of the following:

- (a) Louisiana State Employees' Retirement System.
- (b) Teachers' Retirement System of Louisiana.
- (c) Louisiana School Employees' Retirement System.
- (d) Louisiana State Police Retirement System.

(2) The term "state retirement systems", "state systems", or "state pension or retirement systems, plans, or funds" shall mean the four state systems listed in Paragraph (1) of this Subsection and no other system or systems.

B.(1) The term "statewide retirement system", "statewide system", or "statewide pension or retirement system, plan, or fund" shall mean one of the following:

- (a) Assessors' Retirement Fund.
- (b) Clerks' of Court Retirement and Relief Fund.
- (c) District Attorneys' Retirement System.
- (d) Firefighters' Retirement System.
- (e) Municipal Employees' Retirement System of Louisiana.
- (f) Municipal Police Employees' Retirement System of Louisiana.
- (g) Parochial Employees' Retirement System of Louisiana.
- (h) Registrars of Voters Employees' Retirement System.
- (i) Sheriffs' Pension and Relief Fund.

(2) The term "statewide retirement systems", "statewide systems", or "statewide pension or retirement systems, plans, or funds" shall mean the nine statewide systems listed in Paragraph (1) of this Subsection and no other system or systems.

C. Any public pension or retirement system, plan, or fund not listed in Subsection A or B of this Section shall not be considered a state or statewide retirement system.

Acts 2010, No. 992, §1, eff. Jan. 1, 2011; Acts 2012, No. 227, §1.

CHAPTER 2. REQUIRED CONTRIBUTIONS

PART I. GENERAL

§11. Purpose of Chapter

The purpose of this Chapter is to serve as a depository for legislation involved in a continuing process of consolidation of law relative to required contributions to public retirement systems to achieve and maintain those systems on a sound actuarial basis.

Acts 1988, No. 81, §2, eff. July 1, 1989.

PART II. CONTRIBUTION PROVISIONS

SUBPART A. ACTUARIAL VALUATION METHODS

§21. Purpose of Subpart

The purpose of this Subpart is to comply with the requirements of Article X, Section 29(E)(1) of the Constitution of Louisiana that the legislature establish for each state or statewide public retirement system, a particular method of actuarial valuation to be employed.

Acts 1988, No. 81, §2, eff. July 1, 1989.

§22. Methods of actuarial valuation established

A. The provisions of this Section govern the funding methods utilized by state and statewide public retirement systems to determine actuarially required contributions.

B. The following funding methods shall be utilized to determine actuarially required contributions:

- (1) Assessors' Retirement Fund: frozen attained age normal.
- (2) Clerks' of Court Retirement and Relief Fund: frozen attained age normal.
- (3) District Attorneys' Retirement System: aggregate.
- (4) Firefighters' Retirement System: entry age normal.
- (5) Louisiana School Employees' Retirement System: entry age normal.
- (6) Louisiana State Employees' Retirement System: projected unit credit.
- (7) Municipal Police Employees' Retirement System: entry age normal.
- (8) Municipal Employees' Retirement System of Louisiana:
 - (a) Plan A: frozen attained age normal.
 - (b) Plan B: frozen attained age normal.
- (9) Parochial Employees' Retirement System of Louisiana:
 - (a) Plan A: frozen attained age normal.
 - (b) Plan B: aggregate.
 - (c) Plan C: entry age normal.
- (10) Registrars of Voters Employees' Retirement System: aggregate.
- (11) Sheriffs' Pension and Relief Fund: frozen attained age normal.
- (12) Louisiana State Police Retirement System: entry age normal.
- (13) Teachers' Retirement System of Louisiana: projected unit credit.

C. For any of the systems set forth in Subsection B of this Section which have established excess benefit plans, the present value of benefits shall for funding purposes include the present value of any credits granted to employers for contributions to such excess benefit plans.

D. For any system set forth in Subsection B of this Section that is funded utilizing the frozen attained age normal method, the actuarial valuation method of the system shall be converted to the aggregate funding

method in the system's first valuation in which the frozen unfunded actuarial accrued liability is fully amortized.

Acts 1988, No. 81, §2, eff. July 1, 1989; Acts 1988, 2nd Ex. Sess., No. 6, §2, eff. Oct. 31, 1988; Acts 1989, No. 501, §1, eff. July 1, 1989; Acts 1992, No. 165, §1, eff. July 1, 1992; Acts 1997, No. 867, §1, eff. July 1, 1997; Acts 1999, No. 34, §1; Acts 2012, No. 225, §1, eff. June 30, 2012; Acts 2012, No. 227, §1; Acts 2013, No. 220, §3, eff. June 11, 2013.

SUBPART B. AMORTIZATION OF UNFUNDED ACCRUED LIABILITIES

§41. Purpose of Subpart

The purpose of this Subpart is to initiate compliance with the requirements of Article X, Section 29(E)(2)(c) and (3) of the Constitution of Louisiana that the legislature provide with respect to the amortization of the unfunded accrued liabilities of state and statewide public retirement systems.

Acts 1988, No. 81, §2, eff. July 1, 1989.

§42. Unfunded accrued liabilities; amortization

A. The provisions of this Section govern the amortization of unfunded accrued liabilities of the state and statewide public retirement systems referenced in Subsection B hereof, as provided by said Subsection B.

B. The provisions of this Subsection shall be implemented and accomplished by the governing authorities of the state and statewide public retirement systems as set forth herein.

(1) Assessors' Retirement Fund. The unfunded accrued liability, as of September 30, 1989, determined under the funding method specified in R.S. 11:22(B)(1), shall be amortized over a forty-year period, commencing with fiscal year 1989-1990, with payments forming an annuity increasing at three and one-half percent annually.

(2) Clerks' of Court Retirement and Relief Fund. The unfunded accrued liability, as of June 30, 1989, determined under the funding method specified in R.S. 11:22(B)(2), shall be amortized over a forty-year period, commencing with fiscal year 1989-1990, with payments forming an annuity increasing at four and three-quarters percent annually.

(3) Firefighters' Retirement System. The unfunded accrued liability, as of June 30, 1989, determined under the funding method specified in R.S. 11:22(B)(4), shall be amortized over a thirty-year period, commencing with fiscal year 1989-1990, with level dollar payments annually.

(4) Louisiana School Employees' Retirement System. The unfunded accrued liability or surplus, as of June 30, 1988, determined under the funding method specified in R.S. 11:22(B)(5), shall be amortized over a forty-year period, commencing with Fiscal Year 1989-1990, with level dollar payments annually.

(5)(a) Louisiana State Employees' Retirement System. The unfunded accrued liability, as of June 30, 1988, determined under the funding method specified in R.S. 11:22(B)(6), shall be amortized over a forty-year period, commencing with Fiscal Year 1989-1990. The outstanding balance of the unfunded accrued liability as of July 1, 1992, shall be amortized over the remaining thirty-seven-year period with payments forming an annuity increasing at four and one-half percent annually.

(b) Effective for the June 30, 2009, valuation and beginning July 1, 2010, the outstanding balance of this unfunded accrued liability shall be consolidated with other amortization bases and credits as provided in R.S. 11:102.1, and that consolidated total shall be amortized over the remaining constitutionally-mandated period with annual payments beginning in Fiscal Year 2010-2011. The final payment shall be made in Fiscal Year 2028-2029.

(6) Municipal Police Employees' Retirement System. The unfunded accrued liability or surplus, as of June 30, 1989, determined under the funding method specified in R.S. 11:22(B)(7), shall be amortized over a forty-year period, commencing with fiscal year 1989-1990, with level dollar payments annually.

(7) Municipal Employees' Retirement System of Louisiana.

(a) Plan A. The unfunded accrued liability, as of June 30, 1989, determined under the funding method specified in R.S. 11:22(B)(8)(a), shall be amortized over a forty-year period, commencing with fiscal year 1989-1990, with payments forming an annuity increasing at four and one-quarter percent annually.

(b) Plan B. The unfunded accrued liability, as of June 30, 1989, determined under the funding method specified in R.S. 11:22(B)(8)(b), shall be amortized over a forty-year period, commencing with fiscal year 1989-1990, with payments forming an annuity decreasing at two percent annually.

(8) Parochial Employees' Retirement System of Louisiana.

(a) Plan A. The unfunded accrued liability, as of December 31, 1989, determined under the funding method specified in R.S. 11:22(B)(9)(a), shall be amortized over a forty-year period, commencing with fiscal year 1989-1990, with payments forming an annuity increasing at four percent annually.

(b) Plan C. The unfunded accrued liability as of December 31, 1998, shall be amortized over a fifteen-year period with level dollar payments annually.

(9) Sheriffs' Pension and Relief Fund. The unfunded accrued liability, as of June 30, 1989, determined under the funding method specified in R.S. 11:22(B)(11), shall be amortized over a forty-year period, commencing with fiscal year 1989-1990, with payments forming an annuity increasing at three and one-half percent annually.

(10) Louisiana State Police Retirement System. The unfunded accrued liability, as of June 30, 1988, determined under the funding method specified in R.S. 11:22(B)(12), shall be amortized over a twenty year period, commencing with the fiscal year 1989-1990, with level dollar payments annually.

(11)(a) Teachers' Retirement System of Louisiana. The unfunded accrued liability, as of June 30, 1988, determined under the funding method specified in R.S. 11:22(B)(13), shall be amortized over a forty-year period, commencing with the Fiscal Year 1989-1990. The outstanding balance of the unfunded accrued liability as of July 1, 1992, shall be amortized over the remaining thirty-seven-year period with payments forming an annuity increasing at four and one-half percent annually.

(b) Effective for the June 30, 2009, valuation and beginning July 1, 2010, the outstanding balance of this unfunded accrued liability shall be consolidated with other amortization bases and credits as provided in R.S. 11:102.2, and that consolidated total shall be amortized over the remaining constitutionally-mandated period with annual payments beginning in Fiscal Year 2010-2011. The final payment shall be made in Fiscal Year 2028-2029.

Acts 1988, No. 81, §2, eff. July 1, 1989; Acts 1988, 2nd Ex. Sess., No. 6, §2, eff. Oct. 31, 1988; Acts 1989, No. 499, §1, eff. July 1, 1989; Acts 1989, No. 502, §1, eff. July 1, 1989; Acts 1992, No. 257, §1, eff.

July 1, 1992; Acts 1997, No. 867, §1, eff. July 1, 1997; Acts 2009, No. 497, §1, eff. June 30, 2009; Acts 2010, No. 861, §4; Acts 2012, No. 227, §1.

NOTE: See Acts 2009, No. 497, §2, eff. June 30, 2009, relative to conflicts with previous Acts and §4 relative to affect on contribution rates.

SUBPART C. EMPLOYEE CONTRIBUTIONS

§61. Purpose of Subpart

The purpose of this Subpart is to comply with the requirements of Article X, Section 29(E)(2)(a) and (3) of the Constitution of Louisiana that the legislature determine and set all required contributions to be made by members of state and statewide public retirement systems.

Acts 1988, No. 81, §2, eff. July 1, 1989.

§62. Employee contribution rates established

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

(1) Assessors' Retirement Fund - 8%.

(2) Clerks' of Court Retirement and Relief Fund - 8.25%.

(3) Firefighters' Retirement System :

(a) Any member whose earnable compensation is less than or equal to the most recently issued poverty guidelines issued by the United States Department of Health and Human Services according to the size of the member's family unit - 8%.

(b) For employee contributions due and payable July 1, 2011, or thereafter, any member whose earnable compensation is more than the most recently issued poverty guidelines issued by the United States Department of Health and Human Services according to the size of the member's family unit:

If the total contribution for the fiscal year expressed as a percentage of payroll after applying all required tax contributions is: (1st column)

The employee contribution shall be: (2nd column)

25.0% or below --- 8.0%

25.01% to 25.75% --- 8.25%

25.76% to 26.5% --- 8.5%

26.51% to 27.25% --- 8.75%

27.26% to 28.0% --- 9.0%

28.01% to 28.75% --- 9.25%

28.76% to 29.5% --- 9.5%

29.51% to 30.25% --- 9.75%

30.26% or above --- 10.0%

(4) Louisiana School Employees' Retirement System:

(a) Employees whose first employment making them eligible for membership in one of the state systems occurred on or before June 30, 2010 - 7.5%.

(b) Employees whose first employment making them eligible for membership in one of the state systems occurred on or after July 1, 2010 - 8%.

(5) Louisiana State Employees' Retirement System:

(a) Judges, court officers, the governor, lieutenant governor and legislators:

(i) Employees whose first employment making them eligible for membership in one of the state systems occurred on or before December 31, 2010 - 11.5%.

(ii) Employees, other than judges in Item (iii) of this Subparagraph, whose first employment making them eligible for membership in one of the state systems occurred on or after January 1, 2011 - 8%.

(iii) Judges holding positions specified in R.S. 11:553(1), (3) through (5), (7), and (10) through (15) whose first employment making them eligible for membership in one of the state systems occurred on or after January 1, 2011 - 13%.

(b) Public safety service employees referred to as "member" or "members" in R.S. 11:601(B); peace officers employed by the Department of Public Safety and Corrections, office of state police, other than state troopers, as provided in R.S. 11:444(A)(2)(b); and personnel employed by the Department of Revenue, office of alcohol and tobacco control, as provided in R.S. 11:444(A)(2)(c) - 9%.

(c) Clerk and sergeant at arms of the House of Representatives and Secretary and sergeant at arms of the Senate:

(i) Employees whose first employment making them eligible for membership in one of the state systems occurred on or before December 31, 2010 - 9.5%.

(ii) Employees whose first employment making them eligible for membership in one of the state systems occurred on or after January 1, 2011 - 8%.

(d) Wildlife Agents - 9.5%.

(e) All others:

(i) Employed on or before June 30, 2006 - 7.5%

(ii) Employed on or after July 1, 2006 - 8%

(f) Bridge Police - 8.5% for those employees eligible for the benefit provided by R.S. 11:441(F).

(g) "Members" of the Hazardous Duty Services Plan, as defined in R.S. 11:612 - 9.5%.

(h) Repealed by Acts 2010, No.1004, §2, eff. July 1, 2010.

(6) Municipal Police Employees' Retirement System:

(a) For members hired prior to January 1, 2013, and for members of the Hazardous Duty Subplan:

(i) Any member whose earnable compensation is less than or equal to the most recently issued poverty guidelines issued by the United States Department of Health and Human Services according to the size of the member's family unit - 7.5%.

(ii) For employee contributions due and payable July 1, 2011, or thereafter, any member whose earnable compensation is more than the most recently issued poverty guidelines issued by the United States Department of Health and Human Services according to the size of the member's family unit:

If the total contribution for the fiscal year expressed as a percentage of payroll after applying all required tax contributions is: (1st column)

The employee contribution shall be: (2nd column)

25.0% or below --- 7.5%

25.01% to 25.75% --- 7.75%

25.76% to 26.5% --- 8.0%

26.51% to 27.25% --- 8.25%

27.26% to 28.0% --- 8.5%

28.01% to 28.75% --- 8.75%

28.76% to 29.5% --- 9.25%

29.51% to 30.25% --- 9.5%

30.26% to 31.0% --- 9.75%

31.0% or above --- 10.0%

(b) For members of the Non-Hazardous Duty Subplan - 8%, or equal to the rate established in Item (a)(ii) of this Paragraph if less than 8%.

(7) Municipal Employees' Retirement System of Louisiana.

(a) Plan A - Not less than 9.25% nor more than 10% as determined by the board of trustees.

(b) Plan B - Not less than 5% nor more than 6% as determined by the board of trustees.

(8) Parochial Employees' Retirement System of Louisiana:

(a) Plan A - Not less than 8% nor more than 11%, as determined by the board of trustees in consultation with the actuary for the system.

(b) Plan B - Not less than 3% nor more than 5%, as determined by the board of trustees in consultation with the actuary for the system.

(c) Plan C - 5%.

(9) Sheriffs' Pension and Relief Fund - Not less than 9.8% nor more than 10.25%, as determined by the board of trustees in consultation with the actuary for the fund.

(10) Louisiana State Police Retirement System :

(a) Employees whose first employment making them eligible for membership in one of the state systems occurred on or before December 31, 2010 - 8.5%.

(b) Employees whose first employment making them eligible for membership in one of the state systems occurred on or after January 1, 2011 - 9.5%.

(11) Teachers' Retirement System of Louisiana:

(a) School lunch Plan A - 9.1%.

(b) School lunch Plan B - 5%.

(c) All others - 8%.

(12) District Attorneys' Retirement System - 8%.

(13) Registrars of Voters Employees' Retirement System - not less than 7% nor more than 9% as determined by the board in consultation with the actuary for the system.

Acts 1988, No. 81, §2, eff. July 1, 1989; Acts 1988, 2nd Ex. Sess., No. 6, §2, eff. Oct. 31, 1988; Acts 1989, No. 145, §2, eff. July 1, 1989; Acts 1990, No. 340, §1, eff. Sept. 1, 1990; Acts 1991, No. 345, §1, eff. Jan. 1, 1992; Acts 1991, No. 397, §1, eff. July 1, 1991; Acts 1992, No. 248, §1, eff. July 1, 1992; Acts 1992, No. 253, §1, eff. July 1, 1992; Acts 1995, No. 1117, §1, eff. June 30, 1995; Acts 1997, No. 867, §1, eff. July 1, 1997; Acts 1997, No. 1277, §1, eff. July 1, 1997; Acts 1999, No. 496, §1, eff. June 30, 1999; Acts 1999, No. 1320, §1, eff. July 12, 1999; Acts 2001, No. 695, §1, eff. Jan. 1, 2002; Acts 2001, No. 703, §1, eff. July 1, 2001; Acts 2001, No. 746, §1, eff. Dec. 31, 2001; Acts 2001, No. 897, §1, eff. July 1, 2001; Acts 2001, No. 911, §1, eff. July 1, 2001; Acts 2003, No. 703, §1, eff. July 1, 2003; Acts 2004, No. 782, §1, eff. July 1, 2004; Acts 2005, No. 75, §1, eff. July 1, 2005; Acts 2006, No. 835, §1, eff. July 1, 2006; Acts 2007, No. 353, §1, eff. June 30, 2007; Acts 2009, No. 480, §1, eff. Oct. 1, 2009; Acts 2010, No. 94, §1, eff. July 1, 2010; Acts 2010, No. 318, §1, eff. July 1, 2010; Acts 2010, No. 992, §1, eff. Jan. 1, 2011; Acts 2010, No. 996, §1, eff. Jan. 1, 2011; Acts 2010, No. 1004, §1, eff. July 1, 2010; Acts 2011, No. 238, §1, eff. June 30, 2011; Acts 2011, No. 368, §1, eff. July 1, 2011; Acts 2012, No. 227, §1; Acts 2012, No. 483, §1, declared unconstitutional by La. Supreme Court; Acts 2012, No. 515, §1, eff. Jan. 1, 2013; Acts 2012, No. 522, §1; Acts 2012, No. 717, §1, eff. July 1, 2012; Acts 2013, No. 71, §1, eff. June 30, 2013; HCR 2 of the 2013 R.S., eff. May 23, 2013.

NOTE: See Acts 2001, No. 703, §§5 & 6, relative to effectiveness and applicability of Act.

NOTE: See Acts 2004, No. 782, §2, relative to the Sheriffs' Pension and Relief Fund increasing the employee contribution rate to cover one-half of costs of additional benefits provided by Acts 2004, Nos. 854, 855, and 866.

NOTE: See Acts 2004, No. 7, §6, providing that the Act shall not affect or change any law relative to retirement or retirement or survivor benefits of employees of the Dept. of Public Safety and Corrections.

NOTE: Acts 2012, No. 483, which amended R.S. 11:62(4)(introductory paragraph), (5)(introductory paragraph), and (11)(introductory paragraph) and enacted R.S. 11:62(4.1), (5.1), and (11.1) was held unconstitutional by the state Supreme Court in *Retired State Employees Association, et al. v State of Louisiana* No. 2013-CA-0499 (La. 6/28/13); 2013 Westlaw 3287132.

NOTE: See HCR 2 of the 2013 R.S. relative to suspension of Act 483 of the 2012 R.S. and application and intent regarding provisions of the Act not suspended by the resolution.

SUBPART D. TAX CONTRIBUTIONS

§81. Purpose of Subpart

The purpose of this Subpart is to comply with the requirements of Article X, Section 29(E)(3) of the Constitution of Louisiana that the legislature shall determine dedicated taxes for statewide public retirement systems not covered by the provisions of Article X, Section 29(A) or (B) of the Constitution of Louisiana.

Acts 1988, No. 81, §2, eff. July 1, 1989.

§82. Ad valorem tax contributions established

A. Ad valorem tax contributions to state and statewide public retirement systems shall be as follows:

(1) Assessors' Retirement Fund. Dedicated funds are .25% (1% for Orleans Parish) of aggregate taxes shown to be collectible by the tax rolls of each parish.

(2) Clerks' of Court Retirement and Relief Fund. Dedicated funds are .25% (.5% for Orleans Parish) of aggregate taxes shown to be collectible by the rolls of each parish.

(3) Municipal Employees' Retirement System of Louisiana. Dedicated funds are .25% of aggregate taxes shown to be collectible by the tax rolls of each parish except Orleans; funds collected from the parish of East Baton Rouge are to be distributed pursuant to R.S. 11:1862. These amounts are split between Plan A and Plan B based on active member payroll.

(4) Parochial Employees' Retirement System of Louisiana. Dedicated funds are .25% of aggregate taxes shown to be collectible by the tax rolls of each parish except Orleans and East Baton Rouge. These amounts are split between Plan A and Plan B based on active member payroll.

(5) Sheriffs' Pension and Relief Fund. Dedicated funds are .5% of aggregate taxes shown to be collectible by the tax rolls of each parish.

(6) District Attorneys' Retirement System. Dedicated funds are .2% of aggregate taxes shown to be collectible by the tax rolls of each parish.

(7) Registrars' of Voters Employees' Retirement System. Dedicated funds are .0625% of aggregate taxes shown to be collectible by the tax rolls of each parish.

(8)(a) Teachers' Retirement System of Louisiana. Dedicated funds are one percent of aggregate taxes shown to be collectible by the tax rolls of each parish except Orleans.

(b) Effective with the 2004 tax roll payment, the Teachers' Retirement System of Louisiana shall credit each city, parish, or other local public school system located completely within East Baton Rouge Parish with an amount equal to one percent of the aggregate taxes shown to be collectible by the tax rolls for any millage levied by that school system plus an amount equal to the percentage of the total aggregate taxes collected by that school system of all aggregate taxes collected by all school systems within the parish of one percent of the aggregate taxes shown to be collectible by the tax rolls for any millage levied by an entity other than a school board remitted to the system from East Baton Rouge Parish.

(c) Within thirty days after the effective date of Subparagraph (b) of this Paragraph, the East Baton Rouge Parish School Board, the Baker City School Board, and the Zachary Community School Board shall file with the Teachers' Retirement System of Louisiana and the assessor for East Baton Rouge Parish a formula to be used to calculate the amount to be credited to each school board.

B. Provided, however, in the event the employer contributions become zero and employee contributions and dedicated taxes prescribed in this Section provide more than the total actuarially required contribution to any system, then the Public Retirement Systems' Actuarial Committee shall determine the amount of the aggregate taxes shown on the tax rolls of each parish that shall be remitted to such retirement system.

Acts 1988, No. 81, §2, eff. July 1, 1989; Acts 1989, No. 145, §1, eff. July 1, 1989; Acts 1990, No. 623, §1, eff. July 1, 1990; Acts 2005, No. 244, §1, eff. June 29, 2005.

SUBPART E. EMPLOYER CONTRIBUTIONS

§101. Purpose of Subpart

The purpose of this Subpart is to provide mechanisms to implement compliance with the requirements of Article X, Section 29(E)(2)(b) and (c) and (3) of the Constitution of Louisiana that the legislature provide with respect to employer funding of state and statewide public retirement systems.

Acts 1988, No. 81, §2, eff. July 1, 1989.

§102. Employer contributions; determination; state systems

A. The provisions of this Section are applicable with respect to the state public retirement systems, whose benefits are guaranteed by Article X, Section 29(A) and (B) of the Louisiana Constitution.

B.(1) Except as provided in Subsection C of this Section for the Louisiana State Employees' Retirement System and Subsection D of this Section for the Teachers' Retirement System of Louisiana and except as provided in R.S. 11:102.1, 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.

(2)(a) At the end of each fiscal year, the difference between the actuarially required employer contribution for the fiscal year, as determined under Paragraph (3) of this Subsection or pursuant to Subsection C of this Section for the Louisiana State Employees' Retirement System or Subsection D of this Section for the Teachers' Retirement System of Louisiana, and the amount of employer contributions actually received for the fiscal year, excluding any amounts received for the extraordinary purchase of additional benefits or service, shall be determined.

(b) If the amount of employer contributions received for the fiscal year is less than the actuarially required employer contribution for the fiscal year, due to the failure of the legislature to appropriate funds at the required employer contribution rate, the difference shall be paid by the state treasurer from the state general fund upon warrant from the governing authority of the retirement system.

(c) At the end of each fiscal year, the difference between the minimum employer contribution, as required by the Constitution of Louisiana, and the actuarially required employer contribution for the fiscal year, as determined under Paragraph (3) of this Subsection or pursuant to Subsection C of this Section for the Louisiana State Employees' Retirement System or Subsection D of this Section for the Teachers' Retirement System of Louisiana, shall be determined and applied in accordance with the following provisions:

(i) The amount, if any, by which the actuarially required contribution for a system exceeds the constitutionally required minimum contribution for that system shall be accumulated in an employer credit account which shall be adjusted annually to reflect any gain or loss attributable to the balance in the account at the actuarial rate of return earned by the system.

(ii) Except as provided in Paragraph (5) of this Subsection, annual contributions required in accordance with this Subsection, or the constitutional minimum if greater, may be funded in whole or in part from the employer credit account, provided the employee contribution rate or rates for the system as set forth in R.S. 11:62 has or have been reduced to an amount equal to or less than fifty percent of the annual normal cost for the system or the plan as provided in Subsection C or D of this Section, rounded to the nearest one-quarter percent.

(iii) For purposes of implementing Act No. 1331 of the 1999 Regular Session of the Legislature, the balance of the Employer Credit Account applicable to the Louisiana School Employees' Retirement System as of June 30, 1999, shall be fifty-six million seven hundred fifty-four thousand four hundred five dollars.

(d) Except as provided in R.S. 11:102.1 and 102.2, differences occurring for any other reason shall be added to or subtracted from the following fiscal year's actuarially required employer contribution in accordance with Subparagraph (3)(c) of this Subsection or with Subsection C of this Section for the Louisiana State Employees' Retirement System or Subsection D of this Section for the Teachers' Retirement System of Louisiana.

(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 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. For the Teachers' Retirement System of Louisiana, effective for the June 30, 2011, system

valuation and beginning with Fiscal Year 2012-2013, the normal cost shall be determined in accordance with Subsection D of this Section.

(b) 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, taking into account consolidation with other amortization bases, if any, as provided in R.S. 11:42, 102.1, and 102.2, and using the system's amortization method specified in R.S. 11:42, necessary to amortize the unfunded accrued liability as of June 30, 1988, such unfunded accrued liability computed using the system's actuarial funding method as specified in R.S. 11:22.

(c) Except as provided in R.S. 11:102.1 and 102.2, 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, necessary to amortize the prior year's over or underpayment as a level dollar amount over a period of five years.

(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, necessary to amortize changes in actuarial liability due to:

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

(ii) Except as provided in Items (v), (vi), (vii), and (viii) of this Subparagraph, changes in the method of valuing of assets, such payments to be computed as an amount forming an annuity increasing at four and one-half percent annually over the later of a period of fifteen years from the year of occurrence of the change or by the year 2029.

(iii) Except as provided in Items (v), (vi), (vii), and (viii) of this Subparagraph, changes in actuarial assumptions or actuarial funding methods, excluding changes in methods of valuing of assets, such payments to be computed as an amount forming an annuity increasing at four and one-half percent annually over the later of a period of thirty years from the year of occurrence of the change or by the year 2029.

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

(v) Effective July 1, 2004, and beginning with Fiscal Year 1998-1999, the amortization period for the changes, gains, or losses of the Louisiana State Employees' Retirement System provided in Items (i) through (iv) of this Subparagraph shall be thirty years, or in accordance with standards promulgated by the Governmental Accounting Standards Board, from the year in which the change, gain, or loss occurred. The outstanding balances of amortization bases established pursuant to Items (i) through (iv) of this Subparagraph before Fiscal Year 1998-1999, shall be amortized as a level dollar amount from July 1, 2004, through June 30, 2029. Beginning with Fiscal Year 2003-2004, and for each fiscal year thereafter, the outstanding balances of amortization bases established pursuant to Items (i) through (iv) of this Subparagraph shall be amortized as a level dollar amount. For the Louisiana State Employees' Retirement System, effective for the June 30, 2010, system valuation and beginning with Fiscal Year

2011-2012, amortization payments for changes in actuarial liability shall be determined in accordance with Subsection C of this Section.

(vi) Effective July 1, 2004, and beginning with Fiscal Year 2000-2001, the amortization period for the changes, gains, or losses of the Louisiana School Employees' Retirement System provided in Items (i) through (iv) of this Subparagraph shall be thirty years, or in accordance with standards promulgated by the Governmental Accounting Standards Board, from the year in which the change, gain, or loss occurred. The outstanding balances of amortization bases established pursuant to Items (i) through (iv) of this Subparagraph before Fiscal Year 2000-2001, shall be amortized as a level dollar amount from July 1, 2004, through June 30, 2029. Beginning with Fiscal Year 2003-2004, and for each fiscal year thereafter, the outstanding balances of amortization bases established pursuant to Items (i) through (iv) of this Subparagraph shall be amortized as a level dollar amount.

(vii) Effective July 1, 2004, and beginning with Fiscal Year 2000-2001, the amortization period for the changes, gains, or losses of the Teachers' Retirement System of Louisiana provided in Items (i) through (iv) of this Subparagraph shall be thirty years, or in accordance with standards promulgated by the Governmental Accounting Standards Board, from the year in which the change, gain, or loss occurred. The outstanding balances of amortization bases established pursuant to Items (i) through (iv) of this Subparagraph before Fiscal Year 2000-2001, shall be amortized as a level dollar amount from July 1, 2004, through June 30, 2029. Beginning with Fiscal Year 2003-2004, and for each fiscal year thereafter, the outstanding balances of amortization bases established pursuant to Items (i) through (iv) of this Subparagraph shall be amortized as a level dollar amount. For the Teachers' Retirement System of Louisiana, effective for the June 30, 2011, system valuation and beginning with Fiscal Year 2012-2013, amortization payments for changes in actuarial liability shall be determined in accordance with Subsection D of this Section.

(viii) Effective July 1, 2009, and beginning with Fiscal Year 1992-1993, the amortization period for the changes, gains, or losses of the Louisiana State Police Retirement System provided in Items (i) through (iv) of this Subparagraph shall be thirty years, or in accordance with standards promulgated by the Governmental Accounting Standards Board, from the year in which the change, gain, or loss occurred. The outstanding balances of amortization bases established pursuant to Items (i) through (iv) of this Subparagraph before Fiscal Year 2008-2009, shall be amortized as a level dollar amount from July 1, 2009, through June 30, 2029. Beginning with Fiscal Year 2008-2009, and for each fiscal year thereafter, the outstanding balances of amortization bases established pursuant to Items (i) through (iv) of this Subparagraph shall be amortized as a level dollar amount.

(4) At the end of the fiscal year during which the assets of a system, excluding the outstanding balance due to Subparagraph (B)(3)(c) of this Section, exceed the actuarial accrued liability of that system, the amortization schedules contained in Subparagraphs (B)(3)(b) and (d) or in Subsection C of this Section for the Louisiana State Employees' Retirement System or Subsection D of this Section for the Teachers' Retirement System of Louisiana shall be fully liquidated and assets in excess of the actuarial accrued liability shall be amortized as a credit in accordance with the provisions of Subparagraph (B)(3)(d) of this Section.

(5)(a) Notwithstanding the provisions of this Section, the gross employer contribution rate for the Louisiana State Employees' Retirement System and the Teachers' Retirement System of Louisiana shall not be less than fifteen and one-half percent per year until such time as the unfunded accrued liability that existed on June 30, 2004, is fully funded.

(b) At the end of each fiscal year, the difference, if any, by which the amount of contributions received from payment of all employer contributions at the fixed minimum employer contribution rate established pursuant to this Paragraph exceeds the greater of the minimum employer contribution required by Article X, Section 29 of the Constitution of Louisiana or the statutory minimum employer contribution calculated according to the methodology provided for in Items (3)(d)(i) through (iv) of this Subsection or in Paragraph (C)(4) of this Section for the Louisiana State Employees' Retirement System or Paragraph (D)(4) of this

Section for the Teachers' Retirement System of Louisiana shall be accumulated in an employer credit account for the respective system.

(c) The employer credit account shall be adjusted annually to reflect any gain or loss attributable to the balance in the account at the actuarial rate of return earned by the system.

(d)(i) Except as provided in R.S. 11:102.1 and 102.2, the employer credit account of a system shall be used exclusively to reduce any unfunded accrued liability of that system created before July 1, 2004, and shall not be debited for any other purpose.

(ii) Effective for the June 30, 2009 system valuation and beginning July 1, 2010, any funds in the system's employer credit account shall be applied to the remaining balance of the original amortization base or the experience account amortization base established in accordance with and as further provided by R.S. 11:102.1 or 102.2.

C.(1) This Subsection shall be applicable to the Louisiana State Employees' Retirement System effective for the June 30, 2010, system valuation and beginning Fiscal Year 2011-2012. For purposes of this Subsection, "plan" or "plans" shall mean a subgroup within the system characterized by the following employee classifications:

(a) Rank-and-file members of the system.

(b) Full-time law enforcement personnel, supervisors, or administrators who are employed with the Department of Revenue or office of alcohol and tobacco control and who are P.O.S.T. certified, have the power to arrest, and hold a commission from such office.

(c) Peace officers, as defined by R.S. 40:2402(3)(a), employed by the Department of Public Safety and Corrections, office of state police, other than state troopers.

(d) Judges and court officers to whom Subpart A of Part VII of Chapter 1 of Subtitle II of this Title is applicable.

(e) Wildlife agents to whom Subpart B of Part VII of Chapter 1 of Subtitle II of this Title is applicable.

(f) Wardens, correctional officers, probation and parole officers, and security personnel employed by the Department of Public Safety and Corrections who are members of the secondary component pursuant to Subpart C of Part VII of Chapter 1 of Subtitle II of this Title.

(g) Correctional officers, probation and parole officers, and security personnel employed by the Department of Public Safety and Corrections who are members of the primary component.

(h) Legislators, the governor, and the lieutenant governor.

(i) Employees of the bridge police section of the Crescent City Connection Division of the Department of Transportation and Development.

(j) Hazardous duty plan members as provided pursuant to R.S. 11:611 et seq.

(k) Judges as provided pursuant to R.S. 11:62(5)(a)(iii) and 444(A)(1)(a)(ii).

(l) Any other specialty retirement plan provided for a subgroup of system members. If the legislation enacting such a plan is silent as to the application of this Subsection, the Public Retirement Systems' Actuarial Committee shall provide for the application to such plan.

(2) 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 calculated pursuant to Subparagraph (B)(3)(a) of this Section, shall be calculated separately for each particular plan within the system. An employer shall pay employer contributions for each employee at the rate applicable to the plan of which that employee is a member.

(3) For the Louisiana State Employees' Retirement System, effective for the June 30, 2010, system valuation and beginning with Fiscal Year 2011-2012, changes in actuarial liability due to legislation, changes in governmental organization, or reclassification of employees or positions shall be calculated individually for each particular plan within the system based on each plan's actuarial experience as further provided in Subparagraph (4)(c) of this Subsection.

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

(a) The particularized normal cost rate. The normal cost rate for each fiscal year shall be the employer's normal cost for the plan computed by applying the method specified in R.S. 11:102(B)(1) and (3)(a) to the plan.

(b) The shared unfunded accrued liability rate. A single rate shall be computed for each fiscal year, applicable to all plans for actuarial changes, gains, and losses existing on June 30, 2010, or occurring thereafter, including experience and investment gains and losses, which are independent of the existence of the plans listed in Paragraph (1) of this Subsection, the payment and rate therefor shall be calculated as provided in Paragraphs (B)(1) and (3) of this Section.

(c) The particularized unfunded accrued liability rate. For actuarial changes, gains, and losses, excluding experience and investment gains and losses, first recognized in the June 30, 2010, valuation or in any later valuation, attributable to one or more, but not all, plans listed in Paragraph (1) of this Subsection or to some new plan or plans, created, implemented, or enacted after July 1, 2010, a particularized contribution rate shall be calculated as provided in Paragraphs (B)(1) and (3) of this Section.

(d) The shared gross employer contribution rate difference. The gross employer contribution rate difference shall be the difference between the minimum gross employer contribution rate provided in Paragraph (B)(5) of this Section and the aggregate employer contribution rate calculated pursuant to the provisions of Subsection B of this Section.

(5) Each entity funding a portion of the 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.

(6) For purposes of Paragraph (B)(2) of this Section the actuarially required employer contributions and the employer contributions actually received for all plans shall be totaled and treated as a single contribution.

(7) If provisions of this Section cover matters not specifically addressed by the provisions of this Subsection, then those provisions shall be applicable.

D.(1) This Subsection shall be applicable to the Teachers' Retirement System of Louisiana effective for the June 30, 2011, system valuation and beginning Fiscal Year 2012-2013. For purposes of this

Subsection, "plan" or "plans" shall mean a subgroup within the system characterized by the following employee classifications:

- (a) School lunch Plan A.
- (b) School lunch Plan B.
- (c) Employees of an institution of postsecondary education, the Board of Regents, or a postsecondary education management board who are not employed 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.
- (d) Any other specialty retirement plan provided for a subgroup of system members. If the legislation enacting such a plan is silent as to the application of this Subsection, the Public Retirement Systems' Actuarial Committee shall provide for the application to such plan.

(e) All other teachers, as defined in R.S. 11:701(33).

(2) For the Teachers' Retirement System of Louisiana, effective for the June 30, 2011, system valuation and beginning with Fiscal Year 2012-2013, the normal cost calculated pursuant to Subparagraph (B)(3)(a) of this Section, shall be calculated separately for each particular plan within the system. An employer shall pay employer contributions for each employee at the rate applicable to the plan of which that employee is a member.

(3) For the Teachers' Retirement System of Louisiana, effective for the June 30, 2011, system valuation and beginning with Fiscal Year 2012-2013, changes in actuarial liability due to legislation, changes in governmental organization, or reclassification of employees or positions shall be calculated individually for each particular plan within the system based on each plan's actuarial experience as further provided in Subparagraph (4)(c) of this Subsection.

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

(a) The particularized normal cost rate. The normal cost rate for each fiscal year shall be the employer's normal cost for employees in the plan computed by applying the method specified in Paragraph (B)(1) and Subparagraph (B)(3)(a) of this Section to the plan.

(b) The shared unfunded accrued liability rate. A single rate shall be computed for each fiscal year, applicable to all plans for actuarial changes, gains, and losses existing on June 30, 2011, or occurring thereafter, including experience and investment gains and losses, which are independent of the existence of the plans listed in Paragraph (1) of this Subsection, the payment and rate therefor shall be calculated as provided in Paragraphs (B)(1) and (3) of this Section.

(c) The particularized unfunded accrued liability rate. For actuarial changes, gains, and losses, excluding experience and investment gains and losses, first recognized in the June 30, 2011, valuation or in any later valuation, attributable to one or more, but not all, plans listed in Paragraph (1) of this Subsection or to some new plan or plans, created, implemented, or enacted after July 1, 2011, a particularized contribution rate shall be calculated as provided in Paragraphs (B)(1) and (3) of this Section.

(d) The shared gross employer contribution rate difference. The gross employer contribution rate difference shall be the difference between the minimum gross employer contribution rate provided in Paragraph (B)(5) of this Section and the aggregate employer contribution rate calculated pursuant to the provisions of Subsection B of this Section.

(5) Each entity funding a portion of the 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.

(6) For purposes of Paragraph (B)(2) of this Section the actuarially required employer contributions and the employer contributions actually received for all plans shall be totaled and treated as a single contribution.

(7) If provisions of this Section cover matters not specifically addressed by the provisions of this Subsection, then those provisions shall be applicable.

Acts 1988, No. 81, §2, eff. July 1, 1989; Acts 1989 1st Ex. Sess., No. 4, §1, eff. July 1, 1989; Acts 1990, No. 470, §1, eff. July 1, 1990; Acts 1992, No. 257, §1, eff. July 1, 1992; Acts 1993, No. 734, §1, eff. July 1, 1993; Acts 1999, No. 1331, §1; Acts 2000, 1st Ex. Sess., No. 14, §1, eff. April 14, 2000; Acts 2004, No. 588, §1, eff. June 30, 2004; Acts 2008, No. 852, §1, eff. July 1, 2008; Acts 2009, No. 497, §1, eff. June 30, 2009; Acts 2010, No. 1026, §1, eff. July 1, 2010; Acts 2010, No. 861, §4, eff. August 15, 2010; Acts 2012, No. 483, §1, declared unconstitutional by La. Supreme Court; Acts 2012, No. 716, §1, eff. June 11, 2012; Acts 2012, No. 227, §1, eff. August 1, 2012; HCR 2 of the 2013 R.S., eff. May 23, 2013.

NOTE: See Acts 2004, No. 588, §2, relative to balances in the Employee Experience Account of the La. State Employees' Retirement System and the Teachers' Retirement System of La. on June 30, 2004.

NOTE: See Acts 2009, No. 497, §2, eff. June 30, 2009, relative to conflicts with previous Acts and §4 relative to effect on contribution rates.

NOTE: Acts 2012, No. 483, which amended R.S. 11:102(B)(1) and (3)(a) and (d)(v), (vi), and (vii) and enacted R.S. 11:102(C)(1)(m) was held unconstitutional by the state Supreme Court in *Retired State Employees Association, et al. v State of Louisiana* No. 2013-CA-0499 (La. 6/28/13); 2013 Westlaw 3287132.

NOTE: See HCR 2 of the 2013 R.S. relative to suspension of Act 483 of the 2012 R.S. and application and intent regarding provisions of the Act not suspended by the resolution.

§102.1. Consolidation of amortization payment schedules; Louisiana State Employees' Retirement System

A.(1) For the Louisiana State Employees' Retirement System, effective for the June 30, 2009 system valuation and with payments beginning July 1, 2010, all amortization bases existing on July 1, 2008, shall be consolidated as provided in this Section.

(2) There shall be two consolidated amortization bases calculated and amortized as provided in this Section. Any existing amortization base not included in a consolidated base pursuant to this Section shall remain separate and continue to be amortized and funded as otherwise provided by law.

(3) Beginning with Fiscal Year 2008-2009 and for each fiscal year thereafter, that year's changes, gains, and losses shall be calculated and payments therefor determined as provided in R.S. 11:102, except as otherwise specified in this Section.

B. Original amortization base.

(1) The remaining balances of outstanding amortization bases in excess of twenty years for the years 1993 through 1995, 1997 and 1998, and 2005 through 2007, excluding the amortization base for liability created by Act No. 414 of the 2007 Regular Session of the Legislature, as specified in the June 30, 2008, system valuation adopted by the Public Retirement Systems' Actuarial Committee on February 5, 2009,

shall be consolidated into a single amortization base effective for the June 30, 2009, system valuation with payments beginning on July 1, 2010.

(2)(a) To this base shall be applied any monies in the separate fund known alternatively as the "Texaco Account" or the "Initial Unfunded Accrued Liability Account" on June 30, 2010, and any appropriation provided in the 2009 Regular Session of the Legislature.

(b) The balance in this account as of June 30, 2008, exclusive of any subaccount balance, shall be credited with interest at the system's actuarially-assumed interest rate until the funds in the account are applied as provided in this Subsection.

(3)(a) This consolidated amortization base shall be known as the "original amortization base" and shall be amortized with annual payments calculated as follows:

(i) For Fiscal Year 2010-2011, the projected payment shall be the amount specified in the June 30, 2009 system valuation adopted by the Public Retirement Systems' Actuarial Committee pursuant to R.S. 11:127. The actuarially-required contribution shall be determined in accordance with the provisions of R.S. 11:102 in the June 30, 2010 system valuation adopted by the committee.

(ii) Payments thereafter shall form an annuity increasing at six and one-half percent for one year, at five and one-half percent annually for the following four years, and at five percent annually for the following two years.

(iii) Beginning in Fiscal Year 2018-2019, the payments shall be amortized over the remaining period with payments forming an annuity increasing at two percent annually.

(b) The first payment after this consolidation shall be made in Fiscal Year 2010-2011 and the final payment in Fiscal Year 2028-2029.

(4) In any year in which the system exceeds its actuarially-assumed rate of return, the first fifty million dollars of excess returns shall be applied to the remaining balance of the original amortization base established in this Subsection. After such application, the net remaining liability shall be reamortized over the remaining amortization period with annual payments calculated as provided in this Subsection or as otherwise provided by law.

(5) Notwithstanding the provisions of R.S. 11:102(B)(3)(c) and (5) or any other provision of law to the contrary, in any year through Fiscal Year 2016-2017 in which the system receives an overpayment of employer contributions as determined pursuant to R.S. 11:102(B)(2) and in any year through Fiscal Year 2016-2017 in which the system receives additional contributions pursuant to R.S. 11:102(B)(5), the amount of such overpayment or additional contribution shall be applied to the remaining balance of the original amortization base established pursuant to this Subsection. After such application, the net remaining liability shall be reamortized over the remaining amortization period with annual payments calculated as provided in this Subsection or as otherwise provided by law.

C. Experience account amortization base.

(1) The remaining balances of outstanding amortization bases for the years 1996, 1999 through 2004, and 2008, as specified in the system valuation adopted by the Public Retirement Systems' Actuarial Committee on February 5, 2009, shall be consolidated into a single amortization base, effective for the June 30, 2009, system valuation with payments beginning on July 1, 2010.

(2) To this shall be applied the balance in the experience account or the balance in the subaccount of the Texaco Account created pursuant to R.S. 11:542(A)(1)(b)(iii).

(3) This consolidated amortization base shall be known as the "experience account amortization base" and shall be amortized with annual payments over a thirty-year period beginning in Fiscal Year 2010-2011 as follows:

(a) For Fiscal Year 2010-2011, the projected payment shall be the amount specified in the June 30, 2009, system valuation adopted by the Public Retirement Systems' Actuarial Committee pursuant to R.S. 11:127. The actuarially-required contribution shall be determined in accordance with the provisions of R.S. 11:102 in the June 30, 2010 system valuation adopted by the committee.

(b) Payments thereafter shall form an annuity increasing at six and one-half percent for one year, five and one-half percent for the following four years, and five percent for the following two years.

(c) Beginning in Fiscal Year 2018-2019, the outstanding balance shall be amortized over the remaining period with annual level dollar payments.

(4) In any year in which the excess returns of the system exceed the amount in Paragraph (B)(4) of this Section, the next fifty million dollars of excess returns shall be applied to the experience account amortization base established in this Subsection. After such application, the net remaining liability shall be reamortized over the remaining amortization period with annual payments calculated as provided in this Subsection or as otherwise provided by law.

(5) Notwithstanding the provisions of R.S. 11:102(B)(3)(c) and (5) or any other provision of law to the contrary, in any year from Fiscal Year 2017-2018 through Fiscal Year 2039-2040 in which the system receives an overpayment of employer contributions as determined pursuant to R.S. 11:102(B)(2) and in any year from Fiscal Year 2017-2018 through Fiscal Year 2039-2040 in which the system receives additional contributions pursuant to R.S. 11:102(B)(5), the amount of such overpayment or additional contribution shall be applied to the remaining balance of the experience account amortization base established pursuant to this Subsection. After such application, the net remaining liability shall be reamortized over the remaining amortization period with annual payments calculated as provided in this Subsection or as otherwise provided by law.

Acts 2009, No. 497, §1, eff. June 30, 2009.

NOTE: See Acts 2009, No. 497, §2, eff. June 30, 2009, relative to conflicts with previous Acts and §4 relative to affect on contribution rates.

§102.2. Consolidation of amortization payment schedules; Teachers' Retirement System of Louisiana

A.(1) For the Teachers' Retirement System of Louisiana, effective for the June 30, 2009, system valuation and with annual payments beginning July 1, 2010, all amortization bases existing on July 1, 2008, shall be consolidated as provided in this Section.

(2) There shall be two consolidated amortization bases calculated and amortized as provided in this Section.

(3) Beginning with Fiscal Year 2008-2009 and for each fiscal year thereafter, that year's changes, gains, and losses shall be calculated and payments therefor determined as provided in R.S. 11:102, except as otherwise specified in this Section.

B. Original amortization base.

(1) The remaining balances of outstanding amortization bases for the years 1993 through 1996, 1998 through 2000, and 2005 through 2008, as specified in the June 30, 2008 system valuation adopted by the Public Retirement Systems' Actuarial Committee on February 5, 2009 shall be consolidated into a single amortization base effective for the June 30, 2009 system valuation with payments beginning on July 1, 2010.

(2)(a) To this base shall be applied any monies in the separate fund known alternatively as the "Texaco Account" or the "Initial Unfunded Accrued Liability Account" on June 30, 2010, and any appropriation provided in the 2009 Regular Session of the Legislature. The balance in this account as of June 30, 2008, exclusive of any subaccount balance, shall be credited with interest at the system's actuarially-assumed interest rate until the funds in the account are applied as provided in this Subsection.

(b) To this base shall also be applied any monies in the employer credit account on June 30, 2010.

(3)(a) This consolidated amortization base shall be known as the "original amortization base" and shall be amortized with annual payments calculated as follows:

(i) For Fiscal Year 2010-2011, the projected payment shall be the amount specified in the June 30, 2009 system valuation adopted by the Public Retirement Systems' Actuarial Committee pursuant to R.S. 11:127. The actuarially-required contribution shall be determined in accordance with the provisions of R.S. 11:102 in the June 30, 2010 system valuation adopted by the committee.

(ii) Payments thereafter shall form an annuity increasing at seven percent annually for three years and at six and one-half percent annually for the following four years.

(iii) Beginning in Fiscal Year 2018-2019, the payments shall be amortized over the remaining period with payments forming an annuity increasing at two percent annually.

(b) The first payment shall be made in Fiscal Year 2010-2011 and the final payment in Fiscal Year 2028-2029.

(4) In any year in which the system exceeds its actuarially-assumed rate of return, the first one hundred million dollars of excess returns shall be applied to the remaining balance of the original amortization base established in this Subsection. After such application, the net remaining liability shall be reamortized over the remaining amortization period with annual payments as provided in this Subsection or as otherwise provided by law.

C. Experience account amortization base.

(1) The remaining balances of outstanding amortization bases for the years 1997, 2001 through 2004, and 2008, as specified in the system valuation adopted by the Public Retirement Systems' Actuarial Committee on February 5, 2009, shall be consolidated into a single amortization base, effective for the June 30, 2009 system valuation with payments beginning on July 1, 2010.

(2) To this shall be applied the balance in the experience account or the balance in the subaccount of the Texaco Account created pursuant to R.S. 11:883.1(A)(1)(b)(iii).

(3) This consolidated amortization base shall be known as the "experience account amortization base" and shall be amortized with annual payments over a thirty-year period beginning in Fiscal Year 2010-2011 calculated as follows:

(a) For Fiscal Year 2010-2011, the projected payment shall be the amount specified in the June 30, 2009 system valuation adopted by the Public Retirement Systems' Actuarial Committee pursuant to R.S.

11:127. The actuarially-required contribution shall be determined in accordance with the provisions of R.S. 11:102 in the June 30, 2010 system valuation adopted by the committee.

(b) Payments thereafter shall form an annuity increasing at seven percent annually for three years and at six and one-half percent annually for the following four years.

(c) Beginning in Fiscal Year 2018-2019, the outstanding balance shall be amortized over the remaining period with annual level dollar payments.

(4) In any year in which the excess returns exceed the amount in Paragraph (B)(4) of this Section, the next one hundred million dollars of excess returns shall be applied to the experience account amortization base established in this Subsection. After such application, the net remaining liability shall be reamortized over the remaining amortization period with annual payments calculated as provided in this Subsection or as otherwise provided by law.

(5) Notwithstanding the provisions of R.S. 11:102(B)(3)(c) and (5) or any other provision of law to the contrary, in any year from Fiscal Year 2009-2010 through Fiscal Year 2039-2040 in which the system receives an overpayment of employer contributions as determined pursuant to R.S. 11:102(B)(2) and in any year from Fiscal Year 2009-2010 through Fiscal Year 2039-2040 in which the system receives additional contributions pursuant to R.S. 11:102(B)(5), the amount of such overpayment or additional contribution shall be applied to the remaining balance of the experience account amortization base established pursuant to this Subsection. After such application, the net remaining liability shall be reamortized over the remaining amortization period with annual payments calculated as provided in this Subsection or as otherwise provided by law.

Acts 2009, No. 497, §1, eff. June 30, 2009.

NOTE: See Acts 2009, No. 497, §2, eff. June 30, 2009, relative to conflicts with previous Acts and §4 relative to affect on contribution rates.

§103. Employer contributions; determination; statewide systems

A. The provisions of this Section are applicable with respect to the statewide public retirement systems, whose benefits are not guaranteed by Article X, Section 29(A) and (B) of the Louisiana Constitution.

B.(1) Except as provided in Subsection C of this Section, for each fiscal year beginning with Fiscal Year 1989-1990, for each statewide retirement system, the employer contribution rate shall equal the actuarially required employer contribution as determined under Paragraph (3) of this Subsection, divided by the total projected payroll of all active members of the particular system for the fiscal year. Active member payroll shall include participants in the Deferred Retirement Option Plan, but only if direct employer contributions are made based on salaries for such participants.

(2) At the end of each fiscal year, the difference between the actuarially required employer contribution for the fiscal year, as determined under Paragraph (3) of this Subsection by the most recent actuarial valuation, and the amount of employer contributions actually received for the fiscal year, excluding any amounts received for the extraordinary purchase of additional benefits or service, shall be determined to be that fiscal year's short fall amount.

(3) The actuarially required employer contribution for each fiscal year shall be that dollar amount equal to the sum of:

(a) 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

employee contributions, including interest thereon, such employer's normal cost projected to the middle of the fiscal year at the assumed actuarial interest rate.

(b) The projected noninvestment related administrative expenses for the fiscal year.

(c) That fiscal year's payment, computed at the first of that fiscal year and projected to the middle of that fiscal year, at the actuarially assumed interest rate necessary to amortize previous years' shortfall amounts, if any, in the same manner as provided in Subsection (B)(3)(e)(i) of this Section if an immediate gain funding method is used; otherwise, amortized over the future working lifetime of current participants.

(d) That fiscal year's payment, computed as of the first of that fiscal year using that system's amortization method specified in R.S. 11:42, necessary to amortize the unfunded accrued liability as of the end of Fiscal Year 1988-1989, such unfunded accrued liability computed using the system's actuarial funding method as specified in R.S. 11:22, such payment projected to the middle of that fiscal year at the actuarially assumed interest rate.

(e) That fiscal year's payment, calculated as of the first of that fiscal year and projected to the middle of that fiscal year at the actuarially assumed interest rate, necessary to amortize changes in actuarial liability due to:

(i)(aa) Except as otherwise provided by this Item, actuarial gains and losses, if appropriate for the funding method used by the system as specified in R.S. 11:22, for each fiscal year such payments to be calculated as level dollar amounts over a period of fifteen years from the fiscal year of occurrence of each such actuarial gain or loss, such gains and losses to include any increases in actuarial liability due to governing authority granted cost-of-living increases.

(bb) For the Municipal Police Employees' Retirement System, actuarial gains and losses, if appropriate for the funding method used by the system as specified in R.S. 11:22, for each fiscal year commencing with Fiscal Year 2001-2002, such payments to be computed as level dollar amounts over a period of thirty years from the year of occurrence of each such actuarial gain or loss, such gains and losses to include any increases in actuarial liability due to governing authority granted cost-of-living increases.

(cc) With regard to the Firefighters' Retirement System, for each fiscal year commencing July 1, 2009, or thereafter, the payments required by this Subparagraph are to be calculated as level dollar amounts over a period of twenty years from the fiscal year of occurrence of each such actuarial gain or loss. For actuarial gains and losses accruing on or after July 1, 2010, the amortization period shall decrease by one numerical year each fiscal year thereafter until attaining a fifteen year amortization period. Such gains and losses shall include any increases in actuarial liability resulting from the governing authority granting any cost-of-living increases.

(ii)(aa) Except as provided in Subitem (bb), changes in actuarial assumptions or the method of valuing of assets, such payments to be computed as level dollar amounts over a period of fifteen years from the year of occurrence of the change.

(bb) For the Municipal Police Employees' Retirement System, changes in actuarial assumptions or the method of valuing of assets, such payments to be computed as level dollar amounts over a period of thirty years from the year of occurrence of the change.

(iii) Changes in actuarial funding methods, excluding changes in methods of valuing of assets, such payments to be computed as level dollar amounts over a period of thirty years from the year of occurrence of the change.

(iv)(aa) Except as provided in Subitem (bb), changes in actuarial accrued liability, computed using the actuarial funding method as specified in R.S. 11:22, due to legislation changing plan provisions, such payments to be computed in the manner and over the time period specified in the legislation creating the change or, if not specified in such legislation, as level dollar amounts over a period of fifteen years from the year of occurrence of the change.

(bb) For the Municipal Police Employees' Retirement System, changes in actuarial accrued liability, computed using the actuarial funding method as specified in R.S. 11:22, due to legislation changing plan provisions, such payments to be computed in the manner and over the time period specified in the legislation creating the change or, if not specified in such legislation, as level dollar amounts over a period of thirty years from the year of occurrence of the change.

(4) At the end of the fiscal year during which the assets, excluding the outstanding balance due to Subparagraph (B)(3)(c) of this Section, exceed the actuarial accrued liability, the amortization schedules contained in Subparagraphs (B)(3)(d) and (e) of this Section shall be fully liquidated and assets in excess of the actuarial accrued liability shall be amortized as a credit in accordance with the provisions of Subparagraph (B)(3)(e) of this Section.

C. The net direct actuarially required employer contribution for each fiscal year, beginning with Fiscal Year 1996-1997, shall be that dollar amount equal to the contribution rate specified in Subparagraph (2)(b) of this Subsection, if any, increased by the cost itemized in Paragraph (1) of this Subsection, reduced by the contributions itemized in Paragraph (2) of this Subsection, rounded to the nearest one-quarter percent:

(1) The gross required employer contribution as provided in Paragraph (B)(1) of this Section.

(2) Elements of the gross employer contributions:

(a) Dedicated ad valorem taxes and revenue sharing funds.

(b) Targeted portion of the net direct employer's contributions, which shall be treated as a fixed rate unless a higher or lower rate results from application of the provisions of this Section in its entirety:

(i) Firefighters' Retirement System -- 9%

(ii) Municipal Police Employees' Retirement System -- 9%

(iii) Sheriffs' Pension and Relief Fund -- 7%

(c) Dedicated assessments against insurers. Such amounts, excluding amounts paid for funding of mergers, to be the lesser of available funds or cost stated in Paragraph (1) of this Subsection reduced by contributions stated in Subparagraphs (a) and (b) of this Paragraph but in no event shall be less than zero.

D. For the Firefighters' Retirement System of Louisiana, effective with the June 30, 2002, valuation, all outstanding amortization bases in existence on June 30, 2002, exclusive of merger bases, shall be combined, offset, and reamortized over the period ending June 30, 2029, with level dollar payments. This Subsection shall not apply to amortization bases established after June 30, 2002.

E.(1) The boards of trustees of the Municipal Police Employees' Retirement System and the Firefighters' Retirement System shall consider increasing the actuarially assumed rates of return for their respective systems. Each board shall meet on or before July 31, 2005, to consider this issue. Each board shall report in writing to the House and Senate Committees on Retirement and to the Public Retirement

Systems' Actuarial Committee the results of its consideration and the recommendations of the board, if any.

(2) If either or both boards make recommendations, the Public Retirement Systems' Actuarial Committee shall meet on or before August 31, 2005, to discuss and take action on such recommendations.

Acts 1988, No. 81, §2, eff. July 1, 1989; Acts 1990, No. 470, §1, eff. July 1, 1990; Acts 1991, No. 397, §1, eff. July 1, 1991; Acts 1993, No. 734, §1, eff. July 1, 1993; Acts 1995, No. 1117, §1, eff. June 30, 1995; Acts 1997, No. 792, §1, eff. July 1, 1997; Acts 1997, No. 1293, §1, eff. July 15, 1997; Acts 2001, No. 911, §1, eff. July 1, 2001; Acts 2003, No. 620, §1, eff. June 27, 2003; Acts 2003, No. 1079, §1, eff. July 2, 2003; Acts 2005, No. 448, §1, eff. July 1, 2005; Acts 2009, No. 422, §1, eff. July 1, 2009; Acts 2010, No. 861, §4.

§104. Employer contributions; determination date; notification

A. The employer contribution rate as referred to in this Subpart shall be determined by the Public Retirement Systems' Actuarial Committee as soon as practicable after the first day of January but no later than the last Monday in February of each year for those systems that have a fiscal year ending on the thirtieth day of June.

B. Within ten business days after the determination of a rate pursuant to this Section, the chairman of the Public Retirement Systems' Actuarial Committee shall notify each employer or retirement system that the referenced rate shall be recommended to the legislature for approval, or that the given rate shall be used by the employer or retirement system, whichever is appropriate under the provisions contained in R.S. 11:102 and 103.

Acts 1991, No. 1038, §1; Acts 1992, No. 958, §1; Acts 2010, No. 874, §1, eff. July 1, 2010.

§105. Employer contributions; maintaining rates

A. The provisions of this Section shall apply to the following statewide public retirement systems or funds, hereinafter referred to in this Section as "systems":

- (1) The Assessors' Retirement Fund.
- (2) The Clerks' of Court Retirement and Relief Fund.
- (3) The Municipal Employees' Retirement System of Louisiana.
- (4) The Parochial Employees' Retirement System of Louisiana.
- (5) The Sheriffs' Pension and Relief Fund.
- (6) The Registrars of Voters Employees' Retirement System.

B. Notwithstanding the provisions of R.S. 11:103 and 104, in any fiscal year during which the net direct employer contribution rates would otherwise be decreased for any retirement system or fund referenced in Subsection A of this Section, the board of trustees of any such system or fund is hereby authorized to maintain the net direct employer contribution rate in effect at the time that the decrease would otherwise occur according to R.S. 11:103.

C. If the board of trustees of any retirement system or fund referenced in Subsection A of this Section elects, pursuant to Subsection B of this Section, to maintain the net direct employer contribution rate in effect at the time that a decrease would otherwise occur according to R.S. 11:103, any excess funds resulting from maintaining the contribution rate shall be combined with any contribution surplus, or offset by any contribution shortfall, and the resulting balance, if greater than zero, shall be applied, until exhausted, exclusively for and in the order of the following purposes:

(1) To reduce the frozen unfunded accrued liability, if any; however, the future payments on the frozen unfunded accrued liability shall continue to be made according to the original amortization schedule established to initiate compliance with the requirements of Article X, Section 29(E)(3) of the Constitution of Louisiana until the outstanding balance is fully liquidated.

(2) To reduce the outstanding amortization charge base or bases with the greatest number of outstanding payments; however, the future payments on the base or bases shall continue to be made according to the original amortization schedule until the outstanding balance is fully liquidated.

(3) To establish a contribution surplus amortization base or add to the otherwise established contribution surplus base for the fiscal year if an immediate gain funding method is used, or to reduce the present value of future employer normal costs if a spread gain funding method is used.

D.(1) Notwithstanding the provisions of Subsection C of this Section, beginning with the employer contributions required for fiscal year 2006-2007, to the extent that the board of trustees of the Clerks' of Court Retirement and Relief Fund has previously maintained the net direct employer contribution rate pursuant to Subsection B of this Section, thereby having accelerated the amortization of the frozen unfunded accrued liability, the board shall be authorized to reamortize the remaining liability such that the amortization is completed in the same manner and over the remaining period provided for in R.S. 11:42(B).

(2) The Public Retirement Systems' Actuarial Committee is authorized to meet and adopt a valuation for the system as of June 30, 2005, consistent with the provisions of this Subsection.

Acts 1997, No. 347, §1, eff. July 1, 1997; Acts 2001, No. 911, §1, eff. July 1, 2001; Acts 2006, No. 532, §1, eff. July 1, 2006; Acts 2009, No. 296, §1, eff. June 30, 2009; Acts 2010, No. 861, §4.

§106. Additional employer contributions; increasing rates

A. The provisions of this Section shall apply to the following statewide public retirement systems or funds:

(1) The Assessors' Retirement Fund.

(2) The Clerks' of Court Retirement and Relief Fund.

(3) The Municipal Employees' Retirement System of Louisiana.

(4) The Registrars of Voters Employees' Retirement System.

B. Notwithstanding the provisions of R.S. 11:103, 104, and 105, the board of trustees of any retirement system or fund to which this Section applies is authorized to require a net direct contribution rate of up to three percent more than the rate determined under R.S. 11:103.

C. If the board of trustees of any retirement system or fund referenced in Subsection A of this Section elects, pursuant to Subsection B of this Section, to increase the net direct employer contribution rate

determined under R.S. 11:103, any excess funds resulting from increasing the contribution rate shall be combined with any contribution surplus, or offset by any contribution shortfall, and the resulting balance, if greater than zero, shall be applied, until exhausted, exclusively for and in the order of the following purposes:

(1) To reduce the frozen unfunded accrued liability, if any; however, the future payments on the frozen unfunded accrued liability shall continue to be made according to the original amortization schedule established to initiate compliance with the requirements of Article X, Section 29(E)(3) of the Constitution of Louisiana until the outstanding balance is fully liquidated.

(2) To reduce the outstanding amortization charge base or bases with the greatest number of outstanding payments; however, the future payments on the base or bases shall continue to be made according to the original amortization schedule until the outstanding balance is fully liquidated.

(3) To establish a contribution surplus amortization base or add to the otherwise established contribution surplus base for the fiscal year, if an immediate gain funding method is used, or to reduce the present value of future employer normal costs, if a spread gain funding method is used.

Acts 2001, No. 703, §2, eff. July 1, 2001; Acts 2004, No. 263, §1; Acts 2008, No. 445, §1, eff. June 30, 2008; Acts 2009, No. 296, §1, eff. June 30, 2009; Acts 2010, No. 861, §4.

NOTE: See Acts 2004, No. 263, §2, declaring that Act is remedial, curative, and procedural and providing for retroactive application to July 1, 2001.

§107. Additional employer contributions; reducing rate decreases

A. The provisions of this Section shall apply to the following statewide public retirement systems or funds:

- (1) The Assessors' Retirement Fund.
- (2) The Clerks' of Court Retirement and Relief Fund.
- (3) The Municipal Employees' Retirement System of Louisiana.
- (4) The Parochial Employees' Retirement System of Louisiana.
- (5) The Registrars of Voters Employees' Retirement System.

B. Notwithstanding the Provisions of R.S. 11:103, 104, 105(B), in any fiscal year during which the net direct employer contribution rates would otherwise be decreased for any retirement system or fund to which this Section applies, the board of trustees of that system or fund is hereby authorized to set the employer contribution rate at any point between the previous year's employer contribution rate and the decreased rate that would otherwise occur pursuant to R.S. 11:103 and 104. Any excess funds resulting from the additional contributions shall be applied as provided in R.S. 11:105(C).

Acts 2004, No. 631, §1, eff. July 5, 2004; Acts 2008, No. 445, §1, eff. June 30, 2008; Acts 2009, No. 296, §1, eff. June 30, 2009.

§107.1. Funding deposit account

A. The provisions of this Section shall apply to the following statewide public retirement systems or funds, hereinafter referred to in this Section as "systems":

- (1) The Assessors' Retirement Fund.
- (2) The Clerks' of Court Retirement and Relief Fund.
- (3) The Municipal Employees' Retirement System of Louisiana.
- (4) The Parochial Employees' Retirement System of Louisiana.
- (5) The Registrars of Voters Employees' Retirement System.

B.(1) There shall be established a funding deposit account for each system to which this Section applies. Such account shall be credited and charged solely as provided in this Section.

(2) The balance in the account shall be set equal to zero as of December 31, 2008.

(3) Notwithstanding any provision of this Subpart to the contrary, for any fiscal year ending on or after December 31, 2008, in which the board of trustees of a system elects or previously elected to set the net direct employer contribution rate higher than the minimum recommended rate pursuant to this Subpart, all surplus funds collected by the system shall be credited to the system's funding deposit account.

C. The funds in the account shall earn interest annually at the board-approved actuarial valuation interest rate, and such interest shall be credited to the account at least once a year.

D. Beginning with the first valuation on or after December 31, 2008, the board of trustees of each system may in any fiscal year direct that funds from the account be charged for the following purposes:

- (1) To reduce the unfunded accrued liability as prescribed in this Subpart.
- (2) To reduce the present value of future normal costs for systems using an aggregate funding method.
- (3) To pay all or a portion of any future net direct employer contributions.

E. In no event shall the funds charged from the account exceed the outstanding account balance.

F. If the board of trustees of a system elects to charge funds from the funding deposit account pursuant to Paragraph (D)(3) of this Section, the percent reduction in the minimum recommended employer contribution rate otherwise applicable shall be determined by dividing the interest-adjusted value of the charges from the funding deposit account by the projected payroll for the fiscal year for which the contribution rate is to be reduced.

G. For funding purposes, any asset value utilized in the calculation of the actuarial value of assets of a system shall exclude the funding deposit account balance as of the asset determination date for such calculation.

H. For all purposes other than funding, the funds in the account shall be considered assets of the system.

Acts 2009, No. 296, §1, eff. June 30, 2009.

§107.2. Employer contributions; maintaining rates; reducing rate decreases; Firefighters' Retirement System; Municipal Police Employees' Retirement System

A. The provisions of this Section shall apply to the following statewide public retirement systems or funds, hereinafter referred to in this Section as "systems":

- (1) The Firefighters' Retirement System.
- (2) The Municipal Police Employees' Retirement System.

B. Notwithstanding the provisions of R.S. 11:103 and 104, in any fiscal year during which the recommended net direct employer contribution rate would otherwise be decreased for any system, the board of trustees of the system is hereby authorized to either:

- (1) Maintain the previous fiscal year's net direct employer contribution rate at the time that the decrease would otherwise occur according to R.S. 11:103.
- (2) Set the employer contribution rate at any point between the previous year's net direct employer contribution rate and the recommended net direct employer contribution rate that would otherwise occur pursuant to R.S. 11:103.

C. Any excess funds resulting from the board's exercise of its authority pursuant to Subsection B of this Section shall be combined with any contribution surplus, or offset by any contribution shortfall, and the resulting balance, if greater than zero, shall be applied, until exhausted, exclusively for and in the order of the following purposes:

- (1) To reduce the outstanding balance of any unfunded accrued liability existing as of the end of Fiscal Year 1988-1989, if any; however, the future payments for such unfunded accrued liability shall continue to be made according to the original amortization schedule established in compliance with the requirements of Article X, Section 29(E)(3) of the Constitution of Louisiana until the outstanding balance is fully liquidated.
- (2) To reduce the outstanding amortization charge base or bases with the greatest number of outstanding payments; however, the future payments on the base or bases shall continue to be made according to the original amortization schedule until the outstanding balance is fully liquidated.

D. The board's exercise of its authority pursuant to Subsection B of this Section shall not cause the employer contribution rate to exceed fifteen percent in any fiscal year.

Acts 2011, No. 238, §1, eff. June 30, 2011.

§108. Repealed by Acts 2013, No. 184, §5.

CHAPTER 3. PUBLIC RETIREMENT SYSTEMS'

ACTUARIAL COMMITTEE

§121. Creation; purpose

A. The Public Retirement Systems' Actuarial Committee is hereby created within the Department of the Treasury, effective July 1, 1988.

B. The legislature recognizes that the fiscal integrity of the state and statewide public retirement and pension systems, plans, and funds is a priority and is necessitated by the current financial condition of the systems, plans, and funds. This actuarial committee is created with the intent that a plan can be developed to insure orderly and consistent strategies for continuing development and growth that will attain and maintain the soundness of the systems, plans, and funds. The purpose of this Chapter is to provide an entity to advise and coordinate this ongoing process and to report to the House and Senate committees on retirement and the Joint Legislative Committee on the Budget all findings and recommendations.

Acts 1988, No. 81, §2, eff. July 1, 1988; Acts 2010, No. 874, §1, eff. July 1, 2010.

§122. Committee; membership

The actuarial committee shall consist of the following voting members:

- (1) The state treasurer, ex officio, or his designee, as a voting member.
- (2) The commissioner of administration, ex officio, or his designee, as a voting member.
- (3) The legislative auditor, ex officio, or his designee, as a voting member.
- (4) An actuary who represents the state retirement systems, selected by a majority of the directors of the state retirement systems, as a voting member.
- (5) An actuary who represents the statewide retirement systems, selected by a majority of the directors of the statewide retirement systems, as a voting member.
- (6) The president of the Senate, ex officio, or his designee, as a voting member.
- (7) The speaker of the House of Representatives, ex officio, or his designee, as a voting member.

Acts 1988, No. 81, §2, eff. July 1, 1988; Acts 1989, No. 145, §1, eff. July 1, 1989; Acts 1991, No. 1038, §1; Acts 1993, No. 342, §1; Acts 2001, No. 154, §§1 and 2, eff. July 1, 2001; Acts 2010, No. 874, §1, eff. July 1, 2010.

§123. Compensation and expenses

The members of the committee shall serve without compensation, except for the legislative members, who shall receive their per diem as for attendance at any other legislative meeting, and from the same source.

Acts 1988, No. 81, §2, eff. July 1, 1988; Acts 1991, No. 1038, §1; Acts 1997, No. 1435, §1; Acts 2001, No. 154, §1, eff. July 1, 2001; Acts 2010, No. 874, §1, eff. July 1, 2010.

§124. Quorum

Six voting members of the committee shall constitute a quorum for the transaction of official business. All official actions of the committee shall require the approval of a majority of the members present and voting unless a greater number is specified by statute.

Acts 1988, No. 81, §2, eff. July 1, 1988; Acts 1991, No. 1038, §1; Acts 1993, No. 342, §1; Acts 2001, No. 154, §1, eff. July 1, 2001; Acts 2003, No. 953, §1, eff. July 1, 2003; Acts 2010, No. 874, §1, eff. July 1, 2010.

§125. Meetings

The committee shall meet as necessary, and shall assist and report to the House and Senate committees on retirement and the Joint Legislative Committee on the Budget.

Acts 1988, No. 81, §2, eff. July 1, 1988; Acts 1991, No. 1038, §1; Acts 2010, No. 874, §1, eff. July 1, 2010.

§126. Officers

The members shall elect biennially from their membership, a chair and a vice chair, and such other officers as the committee may deem advisable. No member shall serve as chair for more than four consecutive years.

Acts 1988, No. 81, §2, eff. July 1, 1988; Acts 2010, No. 874, §1, eff. July 1, 2010.

§127. Duties

A. The committee shall review and study, on a continuing basis, actuarial assumptions, funding methods, the unfunded liability determined by those methods, the amortization methods to reduce such unfunded liability, and such other matters as the committee deems appropriate. It shall make recommendations, subject to the unanimous approval of the committee, to the retirement systems, plans, and funds and to the House and Senate committees on retirement and the Joint Legislative Committee on the Budget.

B. The committee shall adopt, each year, an official valuation of each state or statewide public retirement system which shall be derived and revised only as provided in this Section.

C. The actuaries for the public retirement systems, plans, and funds and for the legislative auditor shall submit annual actuarial valuations to the committee. The committee shall review and analyze all the assumptions and valuations submitted. The committee shall, with the consent of a majority of members present and voting, approve a single valuation for each public retirement system, plan, or fund. Once consent of the members is obtained, the actuarial valuations in the form of the official valuations adopted by the committee shall be submitted to the House and Senate committees on retirement and the Joint Legislative Committee on the Budget.

D. Each agency represented by a member of the committee shall provide clerical staff and clerical support as requested by any member of the committee in fulfillment of the duties of the committee.

Acts 1988, No. 81, §2, eff. July 1, 1988; Acts 1991, No. 1038, §1; Acts 1993, No. 342, §1; Acts 2001, No. 154, §1, eff. July 1, 2001; Acts 2010, No. 874, §1, eff. July 1, 2010.

**CHAPTER 4. PROVISIONS AFFECTING MORE
THAN ONE SYSTEM**

PART I. SPECIAL PROVISIONS RELATING TO AGE

§131. Repealed by Acts 1995, No. 682, §2.

§132. Scope of application and precedence

The provisions of R.S. 11:131 shall take precedence over and supersede the provisions of any other law to the extent that such provisions are inconsistent with the provisions thereof.

Redesignated from R.S. 42:672 by Acts 1991, No. 74, §3, eff. June 25, 1991.

§133. Compulsory retirement prohibited; exceptions

A. Except as provided in Subsection B of this Section, in accordance with the provisions of the federal Age Discrimination in Employment Act, no employee of the state of Louisiana, or any political subdivision thereof, or of any district, board, commission, or other agency of either, or of any other such public entity shall be separated from the public service by his appointing authority because of the employee having attained any particular age following employment by the appointing authority.

B.(1) Notwithstanding the provisions of Subsection A of this Section, as allowed by the federal Age Discrimination in Employment Act, law enforcement personnel and firefighters employed by the state or any political subdivision thereof, except elected officials and department heads appointed by the governor who shall remain covered by the provisions of Subsection A of this Section, who shall have attained the age of sixty-five years shall be separated from public service by the appointing authority. However, in any case in which the appointing authority certifies that the continuance in service of the employee who shall have attained the age of sixty-five years or over would be advantageous to the public service by reason of his expert knowledge and qualifications, such employee may be continued in public service by his appointing authority beyond the age of sixty-five years for periods of one year.

(2) In accordance with the federal Age Discrimination in Employment Act, the provisions of Paragraph (1) of this Subsection shall terminate on December 31, 1993.

Acts 1958, No. 54, §§1, 2. Amended by Acts 1978, No. 160, §1, eff. June 29, 1978; Acts 1987, No. 264, §1, eff. July 5, 1987; Redesignated from R.S. 42:691 by Acts 1991, No. 74, §3, eff. June 25, 1991.

PART II. GENERAL PROVISIONS

SUBPART A. CREDITS, CREDITABLE SERVICE, RECIPROCITY

§141. Retention of credits

Any person who is a member of any actuarially funded system paid for in whole or part from public funds, other than the State Employees' Retirement System of Louisiana, the Louisiana School Employees' Retirement System of Louisiana, and the Teachers' Retirement System of Louisiana, and who transfers to other public employment where he is no longer eligible for membership in the original retirement system but becomes a member of another actuarially funded system paid for in whole or part from public funds and who has creditable service in the first system for at least ten years, shall have the right to retain membership in the first system, and in the event he becomes eligible for retirement under this second system he shall be entitled to receive a pro rata benefit from each system, each such benefit to be

calculated on the years of creditable service and the formula in use in the system from which the benefit is paid.

Acts 1968, No. 525, §1; Redesignated from R.S. 42:696 by Acts 1991, No. 74, §3, eff. June 25, 1991.

§142. Reciprocal recognition of credited service in state, parochial, and municipal systems

A. A member of any state, municipal, or parochial retirement system with membership service credit in any other state, municipal, or parochial retirement system, or an eligible survivor of a member, shall have the option of combining all service for which the member has credit in every such retirement system in order that eligibility for regular retirement, disability retirement, and survivor's benefits may be acquired, subject to the limitations of this Section; however, such other credited service shall not be recognized until and unless the member has earned at least six months service credit in the member's current system.

B. To exercise such option, a member shall make application to the system in which he is currently contributing or to which he last contributed if he is not actively contributing to any system at the time of application, or an eligible survivor shall make application to the system in which the member last contributed. The application shall contain the name of all other retirement systems in which the member claims membership service credit and any other necessary information. When the system receives the application it shall forward a copy thereof to each other retirement system in which the member claims credit. Each such application shall contain such information as is mutually agreed upon by the retirement systems involved. Each retirement system receiving the application shall certify to each other retirement system in which the member claims membership service credit the official membership service credit in that retirement system, including specific dates of such service, provided that certification of such agreements for reciprocal service shall be approved by the board of trustees of each such system when application is made by a survivor.

C. Each of the retirement systems shall keep and retain complete, permanent records on each member, and also shall retain and maintain all contributions and liabilities for service performed by the member in that retirement system.

D. Eligibility for disability or regular retirement, or for survivor's benefits, shall require the member to meet the highest age and years of service requirements of each system in which he has membership service credit; however, service in any one system sufficient to meet the eligibility requirements of that system shall qualify the member for benefits from that system, but, for the purposes of benefits under this Section, no member shall be eligible to receive benefits from any system so long as he is contributing to another system.

E. The retirement system in which a member covered by this Section is currently active or in which the member had last actively contributed shall be responsible for coordinating with other retirement systems in which credit is held by promptly notifying each such system when a covered member ceases to be an active member due to resignation, or by death in service, or by application for service or disability retirement or when an inactive member becomes eligible for benefits by reason of attainment of age.

F. Each system in which a member has membership service credit shall compute the benefits due from that system using its benefit formula in effect on the date of retirement, or on the date of death while in service, and in addition, the following provisions shall apply:

(1) Only the compensation and years of service actually earned or credited while in that system shall be used in this computation.

(2) If the benefit computation of any system requires the use of a minimum number of years, and the member has credit in the system for fewer than the minimum number of years, the benefit shall be a pro

rata portion, based upon the membership service actually to his credit in this system, of what the benefit would be if he had credit for the minimum required years of membership service.

(3) If two or more systems provide a lump sum benefit as part of the formula benefit, as in the Louisiana State Employees' Retirement System, the Teachers' Retirement System of Louisiana, and the School Employees' Retirement System of Louisiana, but not limited to these systems, each such system shall pay only that percentage of the additional lump sum benefit that credited service in that system represents of total credited service with respect to all of the systems which provide an additional lump sum benefit; however, in no instance shall the total additional lump sum benefit payable by all of the systems be less than the greatest lump sum benefit payable by any of them, and if the total benefit payable as above provided is less than such greatest lump sum benefit, the system having the greatest lump sum benefit shall pay the difference.

(4) Each system shall notify each other system in which the member has membership service credit of the amount of benefits payable by it and show the computation of such benefit.

(5) All of the retirement systems involved may agree that benefit payments will be made by one system, and that each other system will make appropriate reimbursement to the system making the payment of the amount attributable to it.

G. No more than one year of membership service shall be credited for any one calendar or fiscal year, and there shall be no duplication of membership service credit for any period, including military service. No more than a total of four years of military service shall be credited unless five years of such credit has been obtained under the rules applicable in a system, in which instance a maximum of five years shall be credited. In the event of duplication of military service credit in more than one system or a total credit for military service in excess of five years, the retirement systems involved shall mutually agree on an appropriate procedure to assure that maximum credit in all systems does not exceed five years.

H.(1) The total benefits payable from all systems, plus primary employee social security benefits then available by reason of the fact that social security is a part of any of the retirement systems involved, shall not exceed:

(a) One hundred percent of the highest average compensation on which benefits are based, computed in accordance with Subsection F above.

(b) The highest benefit that any one of the systems would provide if all service had been credited in that system.

(2) If the total computation exceeds either (a) or (b) above, then each retirement system shall reduce the benefits to be paid by it in the proportion its benefits represent of total computed benefits.

I. Membership in any state, municipal, or parochial retirement system for which his employment makes him eligible for membership shall not be denied any employee by reason of attained age if his credited service in another state, municipal, or parochial retirement system, together with his prospective employment in that system until normal retirement age, would make him eligible for regular retirement benefits.

J. A board of trustees shall have the right to modify or terminate any transfer agreement it has entered into with another system where necessary to comply with this or any future law, or to reflect a policy of the board which is in compliance with laws enacted by the legislature and each board shall adopt such rules and regulations as are necessary to carry out the provisions and intent of this Section. Each board of trustees shall adopt such rules and regulations and establish such records and procedures of proof, not in conflict herewith, as are necessary to carry out the provisions and intent of this Section.

K. In those retirement systems where thirty-six months or three years is used in the computation of average compensation, the average salary shall be computed on the actual time in the retirement system when the person has less than thirty-six months of service but eighteen or more months of service credit.

L. Prior to retirement from any system, a member may cancel an application for reciprocal recognition of service credit by notifying in writing each system in which he has credit of his cancellation of his application.

Added by Acts 1970, No. 36, §2. Amended by Acts 1971, No. 167, §1; Acts 1972, No. 46, §1; Acts 1975, No. 548, §1; Acts 1976, No. 416, §1, eff. Jan. 1, 1977; Acts 1978, No. 344, §1; Acts 1979, No. 103, §1; Acts 1985, No. 620, §1; Acts 1990, No. 50, §1; Redesignated from R.S. 42:697 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1992, No. 209, §1; Acts 1997, No. 932, §1, eff. retroactive to Oct. 24, 1995.

{{ NOTE: SEE ACTS 1984, No. 733, §2.}}

§143. Transfers between systems

A. As provided in Subsection G of this Section, any person who is in active service and is a member of any public retirement or pension system, fund, or plan maintained primarily for officers and employees of the state of Louisiana or of any political subdivision thereof, or of any district, board, commission, or other agency of either, or of any other such public entity who has been a member of such system, fund, or plan for at least six months and who has membership credit in or who transferred service credit from any other such system, fund, or plan shall have the option of transferring all of his credit from every such system, fund, or plan to the system, fund, or plan he is currently contributing to or to the system to which he last contributed.

B. All credit that the employee had in the system, fund, or plan from which he is transferring, whether regular service credit, prior service credit, military service credit, or other credit, shall be transferred, except as provided below:

(1) In the event that the member has six months or more of concurrent service in the transferring and receiving systems, the concurrent service in the transferring system and the funds attributable to such service shall remain in the transferring system.

(2) In the event that the member has less than six months of concurrent service in the transferring and receiving systems, the concurrent service in the transferring system shall be canceled and the funds attributable to such service shall be transferred to the receiving system.

C. Except as provided in Paragraph (D)(6) of this Section and notwithstanding any provision of law to the contrary, the system, fund, or plan from which the person transfers such credit shall transfer to the receiving system, fund, or plan an amount which is the lesser of the following:

(1) The greater of, the actuarial cost to the receiving system for the service transferred, or all employee contributions from the transferring system.

(2) All employee contributions, all employer contributions, provided that in any system, fund, or plan, where the employer contribution is not a fixed percentage of the employee's earnings, an employer contribution which is equal to the employee contribution, in addition to a sum, representing interest, equal to the board-approved actuarial valuation rate of the transferring system, fund, or plan compounded annually, of all contributions per annum for each year of contribution to the date of transfer.

D.(1) In the event that the amount of funds transferred is less than the actuarial cost of the service transferred in the receiving system, the person transferring, except as provided for herein, shall pay the

deficit or difference including the interest thereon at the board-approved actuarial valuation rate of the receiving system.

(2) In lieu of paying the deficit or difference plus interest, the person may at his option, but only at the time of transfer, be granted an amount of credit in the receiving system, fund, or plan which is based on the amount of funds actually transferred by the transferring system, fund, or plan plus any additional funds less than the deficit paid by the member.

(3) If the person transferring had any free service credit in the transferring system, he may transfer said service to the receiving system, but only upon payment of the employer and employee contributions that would have been paid if he had been a member of the receiving system at the time of service, plus interest thereon at the board approved actuarial valuation rate of the receiving system from date of such service until paid.

(4) Except as provided in Paragraph (5) of this Subsection, in the event that a person completes a transfer under the provisions of this Section, the retirement percentage factor of the transferring system shall be used to calculate his retirement benefit based on the number of years transferred.

(5) If the accrual rate of the receiving system is greater than the accrual rate of the transferring system, a person executing a transfer pursuant to the provisions of this Section may elect to purchase the accrual rate of the receiving system applicable to the member on the date of such purchase for the purpose of applying that accrual rate to the transferred service credit by paying an amount calculated on an actuarial basis which totally offsets the increase in accrued liability of the receiving system resulting from the accrual rate adjustment.

(6) Any member of the Louisiana judiciary who took office prior to July 1, 1986, and who transfers service credit from the District Attorneys' Retirement System to another retirement system shall not be required to pay the actuarial cost for such transfer between systems, and the actuarial cost of such transfer shall be paid from the interest earnings of the receiving system which exceed the actuarially projected interest earnings in the fiscal years following such transfer.

E. After the date on which the transfer is completed, the system, fund, or plan from which the member transfers shall have no future liability with respect to the person who transferred.

F.(1)(a) Except as provided in Paragraph (2) of this Subsection, any member who transfers credit to the system, fund, or plan to which he last contributed shall be subject to the provisions of this Paragraph.

(b) A member shall be allowed to execute a reverse transfer only one time, and the transfer must be executed immediately prior to retirement from the receiving system.

(c) The request for a reverse transfer shall be accompanied by the member's application for retirement from the receiving system. On the day of the transfer, the member must terminate employment that made him eligible to be a member of the transferring system, and the member's date of retirement shall be made effective on the next business day following the transfer.

(d) The member shall be allowed to apply such transferred credit toward attainment of the retirement eligibility requirements of the receiving system.

(e) Any member who would not be eligible to retire from the receiving system after the transfer shall not be eligible to execute such a transfer under the provisions of this Paragraph.

(f) Any member who executes a reverse transfer and is reemployed by an employer who is covered by the transferring system shall be ineligible for membership in the transferring system after the effective date of the transfer.

(g) After the transfer is executed, the member who is transferring credit shall be ineligible for active contributing membership in the receiving system, unless the member is both:

(i) Employed in a capacity which would require membership in the receiving system as a condition of employment.

(ii) Compliant with all applicable provisions of law regarding the reemployment of a retiree.

(h) A reverse transfer shall be subject to the provisions of Subsection D of this Section.

(2)(a) The provisions of this Paragraph shall apply only to persons who are not state employees and only to applications for transfer submitted to the receiving system on or before December 31, 2013.

(b) Any person to whom this Section applies may execute a reverse transfer from the retirement system to which he is currently contributing to any other system to which he previously contributed if at the time he began contributing to the current system he was legally permitted to elect instead to remain a contributing member of the previous system.

(c) The member shall be allowed to apply such transferred credit toward attainment of the retirement eligibility requirements of the receiving system.

(d) After the transfer is complete, the member shall be an active, contributing member of the receiving system.

G.(1) Each board of trustees or other such governing board shall adopt such rules and regulations, not in conflict herewith, as are necessary to carry out the provisions and intent of this Section and to prevent any duplication of credit.

(2) No governing authority shall approve a transfer in which the transferred amount is less than one hundred percent of the increase in accrued liability to the receiving system created by such transfer; however, the person can pay the difference in the assets to be transferred and the actuarial cost to the receiving system.

(3) The transfer of service credit and funds out of a system shall be at the sole option of the member.

H.(1) A member of a receiving system, fund, or plan must make a written application to the receiving system, fund, or plan requesting a transfer under this Section.

(2)(a) In the event that a member dies after a written application for a transfer under this Section is received in the office of a receiving system, fund, or plan which normally accepts such transfers, such system, fund, or plan shall complete the transfer, and it shall be considered as completed the day before the death of the member.

(b) A survivor, heir, or the estate of a deceased person or member shall not be allowed to request a transfer under this Section.

Acts 1984, No. 733, §1; Acts 1985, No. 462, §1; Acts 1987, No. 725, §1; Acts 1988, No. 749, §1; Acts 1990, No. 233, §1; Redesignated from R.S. 42:697.1 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1995, No. 1112, §1; Acts 1997, No. 582, §1, eff. Jan. 1, 1999; Acts 1997, No. 1201, §1, eff. July 15, 1997;

Acts 2001, No. 1079, §2, eff. July 1, 2001; Acts 2013, No. 220, §3, eff. June 11, 2013; Acts 2013, No. 365, §§1 and 2, eff. June 30, 2013.

{{ NOTE: See Acts 1984, No. 733, §2.}}

NOTE: See Acts 2013, No. 365, §2 regarding certain transfers of service credit from the New Orleans Fire Fighters' Pension and Relief Fund to the Firefighters' Retirement System.

§144. Repayment of refunded contributions

A. For purposes of R.S. 11:142 and 143, a member of any state, parochial, or municipal retirement system having credit for at least six months in any such system may repay refunded contributions, plus compounded interest at the board-approved actuarial valuation rate thereon from date of refund until paid, to any other state, parochial, or municipal retirement system in order to reestablish such credited service.

B. In lieu of repaying refunded contributions to reestablish credit in the system to which he previously belonged, a member of the Louisiana State Employees' Retirement System who has received a refund of contributions from the Employees' Retirement System of Baton Rouge may purchase directly from the Louisiana State Employees' Retirement System all or a portion of the service he had accrued in the municipal system. The member shall pay to the system for the service credit to be purchased all actuarial costs of such purchase calculated on an actuarial basis in accordance with R.S. 11:158(C), and the member shall be granted an amount of service credit in the system based on such payment.

Added by Acts 1972, No. 47, §1. Amended by Acts 1976, No. 416, §1, eff. Jan. 1, 1977; Acts 1979, No. 103, §1; Acts 1984, No. 733, §1; Acts 1989, No. 213, §1; Acts 1990, No. 104, §1, eff. June 29, 1990; Redesignated from R.S. 42:697.2 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 2003, No. 1234, §1.

§144.1. Repayment of refunded contributions; merged retirement systems

Any person who: (1) was a member of a public retirement system, and (2) who terminated his membership in such system and received a refund of contributions, and (3) who thereafter becomes a member of a state or statewide public retirement system shall be eligible to repay the refunded contributions to the system in which he is an active contributing member, provided the system from which the member received the refund has been merged into his current system and the former system is not in existence with respect to receiving the repayment of refunds. Any such repayment of refunds, and the credit granted relative thereto, shall be on an actuarial basis and in compliance with all other pertinent laws governing the repayment of refunds to the extent that such laws do not conflict with the provisions set forth in this Section.

Acts 1995, No. 1234, §1.

§145. Creditable service of certain elected officials

A. Notwithstanding any other provision of law to the contrary, any person who is now or who hereafter is elected to public office and who is now or hereafter becomes a member of the Louisiana State Employees' Retirement System or any other retirement system for public employees which is supported in whole or in part out of funds of the state of Louisiana or of any parish, municipality, or other political subdivision thereof and who loses any one or more months of creditable service in such system or systems by reason of the adoption of Act 569 of 1966 or any other legislation heretofore or hereafter enacted which shortens or has the effect of shortening a term of office to which such person is elected shall be granted a credit in such retirement system or systems equal to the creditable service lost for such cause. In order to obtain such credit the member shall make application therefor to the board of trustees of the retirement system of which he is a member and shall submit evidence of the period for which he

seeks credit and the reason or reasons therefor. In addition, the member shall pay into the system employee and employer contributions equal to the amount of such contributions that would have been paid had he not lost said period of service in the manner hereinabove specified.

B. Any member of the legislature who transferred service credit from the Parochial Employees' Retirement System into this system shall be eligible to transfer such service credit from this system to the Parochial Employees' Retirement System, provided such service credit is transferred on an actuarial basis.

Added by Acts 1978, No. 727, §10, eff. Jan. 1, 1979. Amended by Acts 1981, No. 476, §1; Redesignated from R.S. 42:697.3 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1995, No. 1112, §1.

§146. Credit for certain Louisiana State University service

A. Any person who is now and has been a contributing member for at least eighteen months of any actuarially funded retirement system in this state which is supported in whole or in part with public funds shall be eligible to obtain credit in the system of which he is a member for all service rendered with Louisiana State University during that period of time when the university had a nonfunded university retirement plan, or during that period of time when the member was in a retirement system for federal employees, if such person had at least eighteen months of service with Louisiana State University during such time or at least eighteen months in a retirement system for federal employees, provided the member pays into the system an amount which on an actuarial basis, totally offsets the increase in accrued liability of the system resulting from the purchase of the service credit. The amount payable shall be calculated by use of the actuarial funding method, assumptions, and tables in use by the system at the time of the purchase of the service credit. However, the service hereby purchased shall not include military service credit.

B. In order to receive such credit, the member shall make application to the governing authority of the system in which he seeks to obtain the credit and shall furnish a detailed statement of all service for which credit is claimed, in such form as the board requires.

C. Credit obtained under the provisions of this Section shall be usable solely for purposes of meeting the eligibility requirements for retirement from the system of which the person is a member.

Added by Acts 1978, No. 712, §1; Acts 1990, No. 239, §1; Redesignated from R.S. 42:697.4 by Acts 1991, No. 74, §3, eff. June 25, 1991.

§147. Elected public officials serving less than a full term of office because of the 1974 Constitution of Louisiana

Notwithstanding any other provision of law to the contrary, but in accordance with applicable laws relative to the receipt of service credit which are not in conflict herewith, any elected public official who was elected to and served a full term of office, but whose term of office was less than a full normal period as a result of the adoption of the 1974 Constitution of Louisiana, shall receive, without the necessity of additional contributions therefor, service credit in the applicable public retirement system of which he is a member, for the full number of years which he would have served during such term but for the adoption of the 1974 Constitution of Louisiana.

Added by Acts 1979, No. 128, §1; Redesignated from R.S. 42:697.5 by Acts 1991, No. 74, §3, eff. June 25, 1991.

§148. Membership age limitations

A.(1)(a) The purpose of this Section is to provide uniform membership age limitations for public retirement systems and pension funds.

(b) The provisions of this Section are applicable with respect to all retirement systems and pension funds maintained basically for public officers and employees of the state, its agencies, and political subdivisions.

(c) The provisions of this Section take precedence over any conflicting provisions contained within the laws governing the retirement systems and pension funds referenced in Subparagraph (b) of this Paragraph, provided that the restrictions contained herein shall be inapplicable with respect to elected public officials.

(2) Except as provided in Subsection B of this Section, any person under the age of sixty years, who is otherwise eligible, shall, as a condition of employment, belong to the retirement system or pension fund referenced in Subparagraph (b) of Paragraph (1), which is applicable to his employment.

B. The provisions of Subsection A of this Section shall be inapplicable with respect to any employee whose retirement would be governed by the Louisiana State Police Retirement System, the Municipal Police Employees' Retirement System or any other public retirement system or plan maintained for law enforcement personnel or firefighters, the Sheriffs' Pension and Relief Fund, the provisions within the Louisiana State Employees' Retirement System governing employees of the Department of Public Safety and Corrections or the provisions within the Louisiana Employees' Retirement System governing wildlife and fisheries agents, R.S. 11:581 et seq.

C.(1) Any person who on September 7, 1979, is over sixty years of age and who is not a member of a system or fund referenced in Subparagraph (b) of Paragraph (1) solely by reason of being over the former applicable age limit for membership at the time of employment, but who was less than sixty years of age at said time of employment, may, at his option, become a member of such system or fund if it is possible for him to gain a minimum of ten years credit by the end of the fiscal year in which he attains the age of seventy years.

(2) Any person who becomes a member under authority of this Subsection may receive credit in his system or fund for such service rendered prior to becoming a member. In order to receive this credit, there shall be paid into the system or fund, within one year of becoming a member, a sum equal to the employee and employer contributions that could have been paid had such person been a member at the time the service was rendered, based on contribution rates in effect at the time of application for credit, plus five percent interest thereon, compounded annually from date of service until paid. The employer shall pay the employer contributions plus interest thereon, but only if the employer did not pay social security or any other type of retirement on behalf of the employee.

D. The mandatory membership requirements set forth in this Section shall be inapplicable with respect to any person who on September 7, 1979, was publicly employed and who on said date was under the age of sixty years but who was over the membership age limitation at the time of employment, for so long as such person continues in public employment covered by the retirement system which was applicable to his employment on September 7, 1979. Continued membership after September 7, 1979, for any such person shall be optional with such person. If an election is made to withdraw, it shall be irrevocable. If an election is made to withdraw on or before September 12, 1981, the retirement system shall return to any such person an amount equal to his employee contributions.

Added by Acts 1979, No. 567, §1. Amended by Acts 1980, No. 836, §1; Acts 1982, No. 194, §1; Redesignated from R.S. 42:697.6 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 2006, No. 770, §1, eff. June 30, 2006; Acts 2012, No. 227, §1.

NOTE: See Acts 2004, No. 7, §6, providing that the Act shall not affect or change any law relative to retirement or retirement or survivor benefits of employees of the Dept. of Public Safety and Corrections.

§149. Reemployment of retirees

A. Notwithstanding any other provision of law to the contrary, any person who retires from employment with a department of state government as defined in Title 36 of the Louisiana Revised Statutes of 1950, shall, upon reemployment by the same department of state government, be governed, with respect to retirement, by the laws governing the retirement system from which he retired.

B. Any person who retires under any early retirement incentive plan of the state of Louisiana for state employees shall not be reemployed by any department of state government for two years after the effective date of their retirement. The provisions of this Subsection shall not apply to seasonal fire fighting personnel employed by the office of forestry in the Department of Agriculture and Forestry, and election-related personnel in the Department of State. Reemployment of election personnel shall not exceed six weeks prior to an election and two weeks following an election.

Added by Acts 1980, No. 811, §1; Acts 1987, No. 487, §1; Redesignated from R.S. 42:697.7 by Acts 1991, No. 74, §3, eff. June 25, 1991. Acts 2001, No. 451, §6, eff. Jan. 12, 2004.

§150. Reciprocal recognition; applicability

As used in R.S. 11:142 and 144 with respect to reciprocal recognition of retirement credit, the phrase "any state, municipal, or parochial retirement system" includes any public retirement system, plan or fund created or authorized to be created by any law of the state of Louisiana or by any law governing any political subdivision thereof, and specifically includes the city of New Orleans Employees' Retirement System and any other retirement system, plan or fund created under authority of the Home Rule Charter of the City of New Orleans for public employees. The provisions of this Section are retroactive to January 1, 1977.

Added by Acts 1980, No. 798, §2, eff. Aug. 1, 1980. Amended by Acts 1980, No. 836, §1; Redesignated from R.S. 42:697.8 by Acts 1991, No. 74, §3, eff. June 25, 1991.

§151. Worker's compensation benefits; employee and employer contributions to continue

A. Beginning September 1, 1989, whenever any member of the Louisiana State Employees' Retirement System is receiving worker's compensation benefits while an employee and is not receiving normal service credit in the system, that member shall receive service credit for eligibility determination purposes, however this service shall not be used for computation of the retirement benefit.

B. Whenever any member of the Teachers' Retirement System of Louisiana, or the Louisiana School Employees' Retirement System is receiving worker's compensation benefits, but has not retired for disability the employee may pay contributions based on a salary not to exceed the greater of his worker's compensation benefit received from his employer or his salary at the time of qualification for worker's compensation benefits. He shall only receive pro rata service credit during any period in which the employee contributions are less than that which would have been contributed if based on the salary at the time of qualification for worker's compensation benefits. The employer shall pay the employer's contribution based on the amount on which the employee's contributions are based.

Added by Acts 1981, No. 416, §1; Acts 1983, 1st Ex.Sess., No. 1, §6; Acts 1987, No. 600, §1, eff. July 1, 1987; Acts 1988, No. 683, §1; Acts 1989, No. 582, §1; Redesignated from R.S. 42:697.9 by Acts 1991, No. 74, §3, eff. June 25, 1991.

§152. Military service credit

- A. The provisions of this Section are applicable to persons who become members of the public retirement systems listed in Subsection B of this Section after January, 1982.
- B. The provisions of this Section shall be applicable to all public state, parochial, and municipal retirement systems established by state law.
- C. If credit for military service is otherwise allowed by a retirement system set forth in Subsection B of this Section, it shall only be allowable for members who leave employment covered by the retirement system to which they belong to enter the military service, and who return to employment covered by a system set forth in Subsection B within one year after release from such military service. In other respects, the terms and conditions of the receipt of such credit shall be controlled by the law governing each particular retirement system.

Added by Acts 1981, No. 889, §1, eff. Jan. 1, 1982. Amended by Acts 1982, No. 769, §2; Redesignated from R.S. 42:697.10 by Acts 1991, No. 74, §3, eff. June 25, 1991.

§153. Credit for military service

- A. Any member of a state or statewide public retirement system shall be eligible to purchase credit for regular or nonregular military service, subject to the provisions of this Section.
- B. For purposes of this Section:
- (1) Regular military service shall mean any state or federal full-time active duty military service.
 - (2) Nonregular military service shall mean any state or federal military service, which is not regular service, for which retirement points are assigned for participation in such service, and shall include but not be limited to duty served in the state national guard, coast guard, or any reserve component of the United States armed forces.
- C.(1)(a) Any member shall be entitled to purchase credit for up to four years of either regular or nonregular military service, or a combination of both not exceeding four years total, provided an application is filed with the appropriate retirement system, together with proof of the inclusive dates of military service performed.
- (b) Credit for regular service shall be based on one day of retirement credit for each day of full-time active duty service.
- (c)(i) Credit for nonregular service shall be based on one day of retirement credit for each one of the member's accrued retirement points.
- (ii) Any member seeking to purchase credit for nonregular military service shall also submit with his application to purchase such credit an official copy of the record of his retirement points as maintained by the member's respective military branch.
- (2) In order to purchase such credit for military service, the member shall pay into the system the amount required under the provisions of R.S. 11:158. The amount to be paid shall be paid in one lump sum or in such installments as shall be agreed upon by the member and the system's board of trustees, but such amount shall be paid in full within three years after the date of application for such credit.

D.(1) No member shall be entitled to purchase credit for military service if he has previously received credit for such service in any other public retirement system domiciled in this state if he is receiving any form of retirement benefits from that system.

(2)(a)(i) Except as provided in Subparagraph (b) of this Paragraph, no member shall be entitled to purchase credit for military service if he has previously received credit for such service in any retirement system for members of the armed forces of the United States from which plan the member is drawing a regular retirement benefit.

(ii) The restriction set forth in this Subparagraph shall not apply to members who are drawing disability benefits based on twenty-five percent or less disability received as a result of military service.

(b) Any member who is receiving retirement benefits pursuant to the provisions of Chapter 1223 of Title 10 of the United States Code shall be eligible to purchase credit for military service pursuant to the provisions of this Section, and any such service being purchased may be regular or nonregular service, provided that the service being purchased was rendered prior to the initial date of employment which made him eligible to participate in the applicable Louisiana state or statewide public retirement system.

E.(1)(a) Except as otherwise provided in this Paragraph, military service shall not be used for purposes of acquiring eligibility for disability or survivor's benefits and shall only be used for purposes of acquiring eligibility for normal retirement benefits.

(b) Notwithstanding the provisions of Subparagraph (a) of this Paragraph or any other provision of law to the contrary, any retiree who has earned benefits equal to one hundred percent of his average compensation shall be eligible to purchase credit on an actuarial basis under the provisions of this Section, but only for the limited purpose of using such credit for survivor benefits.

(2) In those systems which authorize retirement with twenty or more years of service at any age, or twenty or more years of service at age fifty, military service credit shall not be computed until after the completion of twenty full years of service. In addition, such military service credit shall not be used to meet the minimum eligibility requirement of any regular retirement of less than twenty years.

F. Military service credit shall not be used as the highest thirty-six successive months, or as the highest thirty-six joined months of employment where interruption of service occurred, in computing the average compensation for retirement benefit computation.

G. No member who has been released or discharged from service under less than honorable conditions shall be eligible to purchase credit for military service pursuant to the provisions of this Section.

H. Notwithstanding any provision of law to the contrary, a member of either the Municipal Police Employees' Retirement System or the Sheriffs' Pension and Relief Fund shall be entitled to purchase or receive credit for military service pursuant to this Section regardless of whether he has previously received credit for such service in any retirement plan for members of the armed forces of the United States, from which plan the member is drawing a regular retirement benefit, based on age and service.

I. Each state and statewide public retirement system shall cause to be promulgated such regulations as are necessary for the administration of purchases made pursuant to this Section.

J.(1) All purchases of credit for regular military service and service in the state national guard or reserve forces of the United States that were transacted on or before June 30, 1999, shall be governed by the provisions of R.S. 11:153 as that law was in force and effect on the date of the purchase.

(2) All purchases of credit for service in the state national guard, coast guard, or reserve forces, which are or were transacted between July 1, 1999 and June 30, 2001, both inclusive, shall be governed by the provisions of R.S. 11:153.1 as that law was in force and effect on the date of the purchase.

(3) The provisions of this Section shall apply to all purchases of credit for any military service transacted on and after July 1, 2001.

K. Notwithstanding the provision of this Section or any other provision of the law to the contrary, military service shall be used for the purpose of acquiring eligibility for normal benefits for those members in the Teachers Retirement System of Louisiana with twenty years of service at age sixty-five who are veterans of the Korean Conflict employed by a public school system in a parish with a population of four hundred twenty-five thousand or more and who retired between June first and June fifteenth, 2000, and who received written correspondence from the system during the month of July, 2000, regarding the system's incorrect calculation of benefits, and as to those members the prohibition against computing the military service credit until after completion of twenty full years of service shall not apply.

L. Terminated on June 30, 2005, by Acts 2003, No. 1183, §2, eff. July 1, 2003.

Added by Acts 1982, No. 769, §1; Acts 1985, No. 858, §1, eff. July 23, 1985; Acts 1991, No. 205, §1; Acts 1991, No. 607, §1; Redesignated from R.S. 42:697.11 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1992, No. 255, §1; Acts 1995, No. 131, §1; Acts 1997, No. 348, §1, eff. June 20, 1997; Acts 2001, No. 419, §1, eff. July 1, 2001; Acts 2001, No. 1035, §1; Acts 2001, No. 1039, §1; Acts 2003, No. 1183, §1, eff. July 1, 2003.

§153.1. Repealed by Acts 2001, No. 419, §2, eff. July 1, 2001.

§154. Tax sheltering of employee contributions to retirement

A. The provisions of this Section shall be applicable to the following public retirement systems and pension funds:

- (1) Louisiana State Employees' Retirement System.
- (2) Louisiana State Police Retirement System.
- (3) Louisiana School Employees' Retirement System.
- (4) Louisiana School Lunch Employees' Retirement System.
- (5) Louisiana Teachers' Retirement System.
- (6) Assessors' Retirement Fund.
- (7) Clerks' of Court Retirement and Relief Fund.
- (8) District Attorneys' Retirement System.
- (9) Municipal Employees' Retirement System of Louisiana.
- (10) Parochial Employees' Retirement System of Louisiana.
- (11) Registrar of Voters Employees' Retirement System.

- (12) Sheriffs' Pension and Relief Fund.
- (13) Municipal Police Employees' Retirement Systems.
- (14) Firefighters' Retirement System.
- (15) Harbor Police Retirement System (Port of New Orleans).

B. Each board may adopt a plan whereby the employee's contributions to the retirement system shall not be included in the employee's gross income for computation of the taxes under the provisions of the United States Internal Revenue Code. The plan shall provide that the employer pay the employee's share of the contributions directly to the retirement system. The contributions shall be treated as employer contributions only for the purposes of the Internal Revenue Code.

C. After the adoption of the plan by the board, the employer shall pay the amount of the contribution by a reduction in the salary of the employee or an offset against future salary or a combination of both. These funds shall be paid from the same source of funds which is used in paying earnings to the employee. The employee's participation in the plan shall not be optional.

D. Repealed by Acts 1997, No. 689, §2, retroactive to Jan. 1, 1993.

E. Any deductions from an employee's gross income, during the highest thirty-six consecutive months of employment prior to retirement, for purposes of tax sheltering said deductions under the provisions of this Section shall be included in the base from which retirement benefits are to be computed for the purposes of ascertaining an employee's average compensation.

Added by Acts 1982, No. 843, §1, eff. Aug. 4, 1982; Redesignated from R.S. 42:697.12 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1997, No. 689, §2, retroactive to Jan. 1, 1993; Acts 1998, 1st Ex. Sess., No. 97, §1, eff. May 5, 1998; Acts 2012, No. 227, §1.

§155. Receipt of benefits

Notwithstanding any other provisions of law to the contrary and specifically the laws governing all public, state, municipal, or parochial retirement systems, allowing "optional allowances", no member, retiree, beneficiary, or survivor shall be entitled to receive his benefit in a lump sum, or actuarial equivalent lump sum, or a lump sum of equivalent actuarial value and shall only receive his benefit in equal monthly benefits payable throughout life or the legally allowed time if a shorter time is specified by the laws governing the specific retirement system, except as provided in R.S. 11:446, 783, 1150, or 1307. This Section shall not apply to the return of accumulated contributions without interest if a person terminates employment and requests such a refund under the laws applicable to the systems.

Added by Acts 1982, No. 681, §1; Redesignated from R.S. 42:697.13 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1995, No. 1110, §1, eff. Jan. 1, 1996.

§156. Deduction of employee benefit contributions from retiree benefit checks

Notwithstanding any other provision of law to the contrary, the employee contributions for accident and health and life insurance coverage to be payable by any member, retiree, beneficiary, or survivor participating in the Office of Group Benefits programs pursuant to Chapter 12 of Title 42, R.S. 42:801 et seq., who receives a recurring benefit payment from any public, state, municipal, or parochial retirement system shall be deducted from the retirement benefit payment. Such deductions shall be effected by the use of computer tapes prepared and furnished by the Office of Group Benefits in a form processible by

the computer facility which prepares the monthly benefit payment. The retirement system shall remit such deductions directly to the Board of Trustees of the State Employees Group Benefits Program.

Added by Acts 1983, No. 259, §1; Redesignated from R.S. 42:697.14 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 2001, No. 1178, §1, eff. June 29, 2001.

§157. Firefighters' Retirement System; Municipal Police Employees' Retirement System; optional membership; refund of employee contributions; irrevocable election; reenrollment

A. Notwithstanding any other provision of law to the contrary, any employee, as defined in R.S. 11:2252(9) or R.S. 11:2213(11), who is employed by any municipality, parish, or fire protection district of this state which has its employees covered under the federal Social Security program and which has not previously and specifically excluded its police officers or firefighters from coverage under this federal program, may elect not to be or elect not to become a member of either state retirement system. Any member of either state retirement system who elects not to be a member shall be refunded his employee contributions which have been received by the system, without interest for the period for which he contributed to the system.

B. However, if it is subsequently determined by the state of Louisiana and the federal Department of Health and Human Services that these employees are not eligible for coverage under the Social Security program or if their coverage is otherwise terminated, they shall, if they are otherwise eligible for membership, join the Firefighters' Retirement System or the Municipal Police Employees' Retirement System, whichever is applicable to their employment.

C.(1) Any member who elects not to become a member of either retirement system set forth in Subsection A of this Section shall, before such election can become valid, execute and file with the retirement system an affidavit stating that his election not to be a member is of his own free will and is his own voluntary act and deed.

(2) Any member who files such an affidavit of election with the Municipal Police Employees' Retirement System shall not be eligible to rejoin the system while he is employed by the same municipality which has its employees covered under the federal Social Security program, unless he repays his previously refunded employee contributions, within sixty days of reenrollment in the system, in one lump sum, plus interest at the board-approved actuarial valuation rate in effect at the time of such repayment, calculated from the date of the refund until the date of repayment.

Added by Acts 1983, No. 141, §1, June 24, 1983. Acts 1984, No. 32, §1; Acts 1991, No. 643, §1, eff. July 1, 1991; Redesignated from R.S. 42:697.15 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1993, No. 758, §1, eff. June 22, 1993; Acts 1999, No. 604, §1.

§158. Purchase of service credit in public retirement systems; price

A.(1) Effective July 1, 1986, the provisions of this Section shall govern the payment required with respect to the otherwise authorized purchase of service credit in the public retirement or pension systems, funds, and plans referenced in Subsection B of this Section.

(2) This Section does not repeal provisions relative to the purchase of service credit contained within the laws governing the covered systems, or which are otherwise applicable thereto, but it is to be controlling in cases of conflict as to the payment required in order to receive the credit.

(3) This Section is inapplicable with respect to the purchase of service credit which is in the form of a repayment of a refund.

B. The provisions of this Section are applicable to the following public retirement or pension systems, funds, and plans:

- (1) Assessors Retirement Fund.
- (2) Clerks' of Court Retirement and Relief Fund.
- (3) District Attorneys' Retirement System.
- (4) Firefighters' Pension and Relief Fund in the City of New Orleans.
- (5) Firefighters' Retirement System.
- (6) Louisiana School Employees' Retirement System.
- (7) Louisiana State Employees' Retirement System.
- (8) Municipal Employees' Retirement System of Louisiana.
- (9) Municipal Police Employees' Retirement System.
- (10) Parochial Employees' Retirement System of Louisiana.
- (11) Registrars of Voters Employees' Retirement System.
- (12) Sheriffs' Pension and Relief Fund.
- (13) Louisiana State Police Retirement System.
- (14) Teachers' Retirement System of Louisiana.

C.(1) In order for a purchase of service credit, which is otherwise authorized, to be effective, there shall be paid into the applicable retirement or pension system, fund, or plan the greater of either:

- (a) An amount which, on an actuarial basis, totally offsets the increase in accrued liability of the system resulting from the purchase of the credit.
 - (b) The employee and employer contributions that would have been paid to the applicable system, fund, or plan, plus interest thereon, compounded annually from the time the contributions would have been paid, at the assumed actuarial valuation rate of interest of the system, fund, or plan in which the credit is being purchased.
- (2)(a) The amount payable shall be calculated based on the actuarial funding method, assumptions, and tables in use by the system at the time of application for credit.
- (b) The actuary may modify the assumptions utilized to reflect the effects of anti-selection.

D. Repealed by Acts 1991, No. 205, §2; ACTS 1991, No. 607, §2.

Acts 1986, No. 609, §1, eff. July 1, 1986; Acts 1991, No. 205, §2; Acts 1991, No. 607, §2; Redesignated from R.S. 42:697.16 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1992, No. 850, §1; Acts 1995, No. 753, §1; Acts 1995, No. 1112, §1; Acts 2008, No. 498, §1; Acts 2012, No. 227, §1.

§159. State superintendent of education; commissioner of higher education; participation

The state superintendent of education and the commissioner of higher education shall not be required to participate in any public retirement system; however, they shall have the option of retaining membership in any state or statewide public retirement system for which they are eligible provided that their retirement benefit computation shall be in accordance with R.S. 11:231(B).

Acts 1988, No. 914, §1; Redesignated from R.S. 42:697.17 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1995, No. 961, §1, eff. June 17, 1995.

§160. Members employed in other public employment

Any person who is a member of the Louisiana State Employees' Retirement System, who has creditable membership service of at least ten years in this system, and who becomes an employee of a political subdivision where he is no longer eligible, through transfer of his employing agency, for membership in this system, but is eligible for membership in some other public retirement system, shall have the right to remain a member of this system in lieu of membership in the other retirement system by filing a notice of election to remain in this system, in writing, with the board of trustees within thirty days after the effective date of employment, or September 7, 1990, whichever is later. Such election shall be irrevocable. The non-participating employer shall contribute to the Louisiana State Employees' Retirement System as if it were a participating employer.

Acts 1990, No. 7, §1; Redesignated from R.S. 42:697.18 by Acts 1991, No. 74, §3, eff. June 25, 1991.

§161. Members employed in other state or public employment

Notwithstanding any provision of law to the contrary, when a state employee who is in the classified service is granted an unpaid leave of absence for the purpose of allowing that employee to accept another position of state employment, that employee shall remain a member of the retirement system in which the employee was a member while serving in the classified service. Such election shall be irrevocable. The employer shall transmit both the employee and employer contributions to the appropriate retirement system on behalf of the state employee.

Acts 1991, No. 499, §1, eff. July 15, 1991; Redesignated from R.S. 42:697.19 by Acts 1991, No. 74, §5, eff. June 25, 1991.

§162. Classes of employees not eligible for membership

A. The provisions of this Section shall apply to the Louisiana State Employees' Retirement System, the Teachers' Retirement System of Louisiana, the Louisiana State Police Retirement System, and the Louisiana School Employees' Retirement System.

B. Any other provision of law notwithstanding, as of July 1, 1991, any employee who is a part-time, seasonal, or temporary employee as defined in 26 CFR 31:3121(b)(7)-2, or in any successor regulation, shall not be or become a member of any system to which this Section applies, except as provided for in Subsection C of this Section.

C.(1) Except as provided in this Subsection, membership shall be required for a part-time, seasonal, or temporary employee as defined in 26 CFR 31:3121(b)(7)-2, or in any successor regulation, who on July 1, 1991, or thereafter, has or earns ten or more years of creditable service in his current system.

(2)(a) For purposes of this Paragraph, the Board of Elementary and Secondary Education shall promulgate rules in conformity with the Administrative Procedure Act, R.S. 49:950 et seq., to be reviewed by the House and Senate Committees on Retirement, defining "classroom teacher".

(b) Membership shall be required for a part-time, seasonal, or temporary classroom teacher who has or earns five or more years of creditable service in the Teachers' Retirement System of Louisiana.

NOTE: SUBSECTION D AS ENACTED BY ACTS 1992, NOS. 91 AND 267, §1, EFFECTIVE IF, AS, AND WHEN THE CONGRESS OF THE UNITED STATES PROVIDES AN EXEMPTION TO THE DEFINITION OF PART-TIME, SEASONAL, OR TEMPORARY EMPLOYEES CONTAINED IN 26 CFR 31:3121(b)(7)-2 OR FOR SUCH EMPLOYEES IN SUBPARAGRAPH (F) OF SECTION 210(a)(7) OF THE SOCIAL SECURITY ACT (42 U.S.C. 410(a)(7)) OR IN ANY OTHER APPLICABLE PROVISION OF FEDERAL LAW.

D. Notwithstanding any other provision of this Section or of any other law to the contrary, any employee of the Louisiana School Employees' Retirement System who is classified or characterized as a part-time, seasonal, or temporary employee shall be exempt from the provisions of this Section.

E.(1) Notwithstanding any provision of law to the contrary, no person employed in a position in an unclassified health care professional employee pool established pursuant to R.S. 17:1519.16 shall be or become a member of any system to which this Section applies.

(2) The employer shall notify each person being employed in a position in an unclassified health care professional employee pool of his ineligibility for membership in any system to which this Section applies. Each person employed in a position in an unclassified health care professional employee pool shall sign an affidavit acknowledging his ineligibility for membership in any such system and stating that he has full knowledge that he is never to receive any retirement service credit for time worked in a position in an unclassified health care professional employee pool.

Acts 1991, 3rd Ex. Sess, No. 6, §1, eff. July 1, 1991; Redesignated from R.S. 42:697.19 by Acts 1991, No. 74, §5, eff. June 25, 1991; Acts 1992, No. 91, §1; Acts 1992, No. 267, §1; Acts 1997, No. 104, §1, eff. July 1, 1997; Acts 2003, No. 640, §1, eff. July 1, 2003; Acts 2005, No. 223, §1, eff. July 1, 2005; Acts 2012, No. 227, §1.

§163. Credit for involuntary furlough; credit for leave without pay

A.(1) Any member of a state or statewide public retirement system who is involuntarily furloughed without pay due to the temporary closure of his employer or involuntarily furloughed or placed on leave without pay due to a gubernatorially declared disaster or emergency shall be entitled to purchase service and salary credit for each day of service that he was furloughed or on such leave if such service was not credited to his account. There shall be no duplication of credit under the provisions of this Section.

(2)(a) Any member of a state or statewide public retirement system who is involuntarily furloughed without pay or placed on leave without pay on or after August 29, 2005, due to a gubernatorially declared disaster or emergency shall be entitled to purchase service and salary credit for each day of service during the period beginning on August 29, 2005, and ending on June 30, 2006, that he was furloughed or on such leave if such service was not credited to his account.

(b) There shall be no duplication of credit under the provisions of this Section.

(c) Any service and salary credit purchased pursuant to this Paragraph shall be subject to the following conditions and limitations:

(i) The purchased service and salary credit may not be used for the purpose of meeting the minimum service requirements for disability retirement.

(ii) Compensation on which the required contributions for purchase of service and salary credit are based shall be the rate of compensation in effect for the last full pay period ending on or before August 29, 2005.

(iii) The right to purchase service and salary credit pursuant to this Paragraph shall not apply to routine personnel actions or separations which are not the direct result of a gubernatorially declared disaster or emergency.

(iv) Any dispute arising under the limitations of this Paragraph shall be resolved in the sole and exclusive discretion of the board of trustees of the retirement system.

(d) The board of trustees of each state and statewide retirement system may adopt rules to implement the provisions of this Paragraph and Paragraph (C)(2) of this Section.

(e) All payment for service purchased pursuant to this Paragraph shall be remitted to the system on or before December 31, 2006.

B. Any member of the Louisiana State Employees' Retirement System who is placed on or who voluntarily takes leave without pay shall be entitled to purchase service for credit for each day that he was on leave without pay, provided there is no duplication of service credit created by such purchase.

C.(1) Except as provided in Paragraph (2) of this Subsection, any purchase of credit made pursuant to this Section shall be made by paying to the system an amount sufficient to offset any liability to the system, calculated on an actuarial basis in accordance with R.S. 11:158.

(2) Notwithstanding the provisions of Paragraph (1) of this Subsection, a member who purchases service and salary credit pursuant to Paragraph (A)(2) of this Section shall pay to the system or to his employer the employee and employer contributions which would be remitted to the system by his employer if not for the involuntary furlough or leave without pay. Such contributions, if paid to the employer, shall be remitted by the employer to the system. The member shall remit the contributions in either of the following ways:

(a) At the same time and in the same amount as such contributions would be due to the system if paid by the employer. Should the employee be delinquent in remitting such contributions, his delinquent payment shall be treated in the same manner as a delinquent payment from the employer pursuant to the provisions of R.S. 11:281; however, any such contributions from a member which would have been due before December 6, 2005 shall be considered to have been made timely if received by the system on or before the date on which contributions for service and salary credit for December 2005 are due.

(b) In a lump sum payment within thirty days of the member's return to work; however, any payment made pursuant to the provisions of this Subparagraph shall be remitted to the system on or before December 31, 2006. A delinquent payment shall be treated in the same manner as a delinquent payment from the employer pursuant to the provisions of R.S. 11:281.

Acts 1992, No. 209, §1; Acts 2003, No. 866, §1, eff. July 1, 2003; Acts 2005, 1st Ex. Sess., No. 45, §1, eff. Dec. 6, 2005.

NOTE: See Acts 2005, 1st Ex. Sess., No. 45, §2, relative to retroactive application.

§163.1. Voluntary or involuntary furlough; service credit; continuation of contributions

A. The provisions of this Section shall apply to the following state retirement systems:

(1) Louisiana State Employees' Retirement System.

(2) Teachers' Retirement System of Louisiana.

B. Any member of a system enumerated in Subsection A of this Section who is employed at a public college or university or by the governing board or management board of a public college or university and who is involuntarily furloughed without pay, or who voluntarily participates in such a furlough plan implemented as a result of budget reductions shall have the option of accruing service credit for any period of such furlough. The service credit accrued pursuant to this Section shall be used for calculation of benefits and for purposes of obtaining eligibility for retirement. The member shall pay the employee contributions to his employer at least monthly, and as otherwise provided by law, which the employer shall send to the system, and the employer shall pay to the system the contributions that would have been otherwise required. The amounts remitted by the employee and employer shall be based upon the amount the member's earned compensation would have been if not for the furlough. The earned compensation shall be taken into account for purposes of determining the member's average compensation.

C. Any service credit accrued pursuant to Subsection B of this Section together with any service credit purchased pursuant to R.S. 11:163 or 429 shall not exceed five years of service credit.

D. Any participant in the Optional Retirement Plan of the Teachers' Retirement System of Louisiana who is employed at a public college or university or by the governing board or management board of a public college or university and who is involuntarily furloughed without pay, or who voluntarily participates in such a furlough plan implemented as a result of budget reductions shall have the option of having remitted the employee and employer contributions which would have been remitted to the system as provided in R.S. 11:927 if not for the furlough. Both the employee and employer shall remit the required contributions pursuant to R.S. 11:927 based upon the amount the participant's earned compensation would have been if not for the furlough.

E. Any member to whom this Section applies and who avails himself of the provisions of this Section shall file an application for the continuation of contributions with the system. The system shall notify the employer of such application, and the employer shall provide any information requested by the system regarding the member's furloughed status and the duration of such furlough.

F. The provisions of this Section shall not apply to furloughs which have been mandated as a result of a declaration of financial exigency or force majeure.

G. The total number of furlough days to which this Section applies shall not exceed thirty days in any fiscal year.

Acts 2009, No. 301, §1, eff. July 1, 2009.

§164. Part-time public officials

A. Except as provided in Subsection B of this Section, the following elected or appointed officials are hereby deemed to be part-time public servants who, based on such part-time service, shall not participate in, or receive credit for service in, any public retirement system, fund, or plan sponsored by the state of Louisiana or any instrumentality or political subdivision thereof:

- (1) Any legislator or any member of a school board, levee board, police jury, or parish council.
- (2) Any member of a city council, city-parish council, or town council or any alderman or any constable.
- (3) Any member of a board or commission established by the state of Louisiana or any instrumentality or political subdivision thereof.

B.(1) The provisions of Subsection A of this Section shall not apply to any person who is serving on January 1, 1997, in any elected or appointed position set forth in Subsection A of this Section and who is also a member on January 1, 1997, of a retirement system covering that position.

(2)(a) For any person to whom Paragraph (1) of this Subsection applies and who is elected to the legislature on or after July 1, 2011, the accrual rate shall be two percent for any creditable service earned as a legislator on or after that date. Furthermore, the additional one percent accrual rate provided pursuant to R.S. 24:36(A) shall not apply to any such person.

(b) The provisions of this Paragraph shall not apply to any person serving in the legislature on June 30, 2011.

(c) The provisions of this Paragraph shall not apply to any person to whom R.S. 11:191(C) applies. For such persons, no service credit shall accrue for service as an elected member of the legislature.

C. The provisions of Subsection A of this Section shall not apply to participation in the Louisiana Public Employees Deferred Compensation Plan, or its successor.

Acts 1996, 1st Ex. Sess., No. 59, §1, eff. Jan. 1, 1997; Acts 2011, No. 377, §1, eff. June 30, 2011.

§165. Funds or benefits payable to a succession

When funds or benefits are payable to the succession of a deceased member or retiree of a state or statewide retirement system, the retirement system shall be considered an employer for purposes of R.S. 9:1515, and the funds or benefits may be paid to the surviving spouse or major child in accordance with that statute, regardless of whether the funds or benefits were payable to the deceased member or retiree himself, or only to his succession.

Acts 1997, No. 8, §1, eff. July 1, 1997.

§166. Secretaries of appointed or elected chiefs of police; membership

A. It is hereby recognized that on and before August 29, 1986, all secretaries to appointed or elected chiefs of police were members of the Municipal Employees' Retirement System, sometimes hereafter referred to as the "old system"; and that Act No. 605 of the 1986 Regular Session, effective August 30, 1986, caused such secretaries to become eligible for membership in the Municipal Police Employees' Retirement System, sometimes hereafter referred to as the "new system"; and that, because of such eligibility, each covered secretary had ninety days according to R.S. 11:1752(C), to either provide written notice to remain in the old system or transfer to the new system. It is further recognized that Act No. 605 also allowed covered secretaries to transfer their service credit from the old system to the new system, but only upon first paying the actuarial cost of the transaction. It is further recognized that some secretaries believed, in good faith, that they could remain in the old system without taking any action to affirm that option; and, therefore, some have remained enrolled in the old system, without providing the requisite ninety-day notice, although they should have been transferred to the new system. It is further recognized that the failure to transfer such secretaries may lead to their eventual disqualification from membership in the old system and subsequent enrollment in the new system; and that such enrollment

may deprive each such secretary of the most efficient use of service credit in either the old system or the new system.

B. Any secretary to an appointed or elected chief of police who remained enrolled in the Municipal Employees' Retirement System after the enactment of Act No. 605 of the 1986 Regular Session, but without submitting the written notice required by R.S. 11:1752(C), is hereby deemed to have provided such notice. Any such secretary shall have the option of remaining a member of the Municipal Employees' Retirement System or transferring membership and credit to the Municipal Police Employees' Retirement System, and any such transfer shall be subject to the provisions of R.S. 11:143.

Acts 1999, No. 712, §1.

SUBPART B. ACTUARIAL STATEMENTS AND REPORTS

§171. Submission of reports to legislature

A. Each actuarially funded state, municipal, parochial, or other retirement system as supported in whole or in part by public funds shall submit to the chairmen of the standing committees on retirement of the House of Representatives and the Senate, at least thirty days prior to the beginning of each regular session of the legislature, a copy of the most recent official actuarial report prepared by the system's fully accredited actuarial firm, together with a financial statement of the system for the fiscal year immediately preceding each such session of the legislature. The actuarial report shall include but not be limited to an actuarial evaluation of the assets and liabilities of the system; actuarial assumptions and considerations; cost of living adjustment evaluations, where applicable; and a five-year projection of cash flow requirements, with the number of retirees and amounts of benefits based on an annual basis.

B. Each state, municipal, parochial and other retirement system supported in whole or in part by public funds which is not actuarially funded shall submit to the chairman of the standing committees on retirement of the House of Representatives and the Senate, at least thirty days prior to the beginning of each regular session of the legislature, a certified statement of the condition of the system for the fiscal year immediately preceding each session of the legislature. The certified statement of condition shall include but not be limited to a statement of the assets and liabilities of the retirement system; cost of living adjustments, where applicable; and an estimated five-year projection of cash flow requirements with the number of retirees and amounts of benefits listed on an annual basis.

Added by Acts 1970, No. 38, §1; Redesignated from R.S. 42:698 by Acts 1991, No. 74, §3, eff. June 25, 1991.

§172. Submission of annual report; penalty

Each reporting agency or parish or city school board shall submit to their respective state, municipal, or parochial retirement system an annual sworn statement of all enrolled employees, the amount of their earnings, and all employee and employer deductions within thirty days after the close of the fiscal or accounting year. Should the reporting agency or parish or city school board fail to submit the reports within thirty days after the close of the fiscal or accounting year, the report shall be delinquent. If any errors are found in the annual report by the retirement system, such errors shall be corrected within fifteen days after notification, or the report shall be delinquent. The board of trustees of the retirement system may certify to the state treasurer or the Department of Education, whichever is applicable, that the report is delinquent. The state treasurer or the Department of Education may withhold all monies from state funds due such reporting agency or parish or city school board. Upon submission of the report, the board of trustees of the retirement system shall notify the state treasurer or the Department of Education that the report has been submitted, whereupon the state treasurer or the Department of Education shall disburse the monies due the reporting agency or parish or city school board.

Added by Acts 1981, No. 423, §1; Redesignated from R.S. 42:698.1 by Acts 1991, No. 74, §3, eff. June 25, 1991.

§173. Audit reports; certified public accountants

A. This Section shall be applicable to the following public retirement systems:

- (1) Louisiana State Employees' Retirement System.
- (2) Louisiana State Police Retirement System.
- (3) Louisiana School Employees' Retirement System.
- (4) Teachers' Retirement System of Louisiana.
- (5) Assessors' Retirement Fund.
- (6) Clerks' of Court Retirement and Relief Fund.
- (7) District Attorneys' Retirement System.
- (8) Municipal Employees' Retirement System of Louisiana.
- (9) Parochial Employees' Retirement System of Louisiana.
- (10) Registrar of Voters Employees' Retirement System.
- (11) Sheriffs' Pension and Relief Fund.
- (12) Municipal Police Employees' Retirement System.
- (13) Firefighters' Retirement System.

B. The board of trustees of each of the retirement systems enumerated in Subsection A shall have an annual audit of the system performed by a certified public accountant at the expense of the system or performed in accordance with R.S. 24:513. A copy of the report shall be forwarded to the chairman of the House Committee on Retirement and the chairman of the Senate Committee on Retirement.

Added by Acts 1983, No. 139, §1. Acts 1988, No. 483, §2; Redesignated from R.S. 42:698.2 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 2012, No. 227, §1.

§174. Death reports

A. By the tenth day of each month, the secretary of the Department of Health and Hospitals shall send to each retirement system and pension fund enumerated in Subsection B hereof, a report, certified as correct over his signature or the signature of his authorized representative, containing the name, date of birth, date of death, address, and sex of each person who died in the state within the preceding calendar month.

B. The provisions of Subsection A shall be applicable to the following public retirement systems and pension funds:

- (1) Louisiana State Employees' Retirement System.
- (2) Louisiana State Police Retirement System.
- (3) Louisiana School Employees' Retirement System.
- (4) Teachers' Retirement System of Louisiana.
- (5) Assessors' Retirement Fund.
- (6) Clerks' of Court Retirement and Relief Fund.
- (7) District Attorneys' Retirement System.
- (8) Municipal Employees' Retirement System of Louisiana.
- (9) Parochial Employees' Retirement System of Louisiana.
- (10) Registrar of Voters Employees' Retirement System.
- (11) Sheriffs' Pension and Relief Fund.
- (12) Municipal Police Employees' Retirement System.
- (13) Firefighters' Retirement System.
- (14) Social Security Administration.
- (15) Louisiana School Lunch Employees' Retirement System.
- (16) United States Railroad Retirement Board.
- (17) Employees' Retirement System of the City of Shreveport.

C. The director of the system shall have the custody and control of these reports. Such reports shall be confidential and shall not be considered as public records under R.S. 44:1, et seq. The information received by the retirement systems and pension funds listed herein shall be used for statistical and administrative purposes only and shall not be divulged to any person or persons for any reason, except that the department may authorize the Social Security Administration to share information on name, date of death, place of death, sex, race, and date of birth as necessary with federal and state agencies for the sole purpose of identifying payments erroneously issued to beneficiaries after their deaths.

Added by Acts 1981, No. 410, §1; Amended by Acts 1981, No. 608, §1. Acts 1984, No. 357, §1; Acts 1985, No. 585, §1; Acts 1987, No. 345, §1; Acts 1989, No. 138, §1; Redesignated from R.S. 42:699 by Acts 1991, No. 74, §3, eff. June 25, 1991; H.C.R. No. 59, 1999 R.S; Acts 2012, No. 277, §1.

§175. Membership information; public access

A. In addition to the public records that are made accessible pursuant to the provisions of R.S. 44:16, any person of the age of majority shall be eligible to inspect, copy or reproduce, or obtain a reproduction of the following information from the records of any public retirement system, plan, or fund regarding any active member of the system, plan, or fund:

(1) The name of the employing agency or agencies and the dates of any employment of the member in which the member has been eligible for membership in the system, plan, or fund.

(2) The salary reported by the member's employer or employers for the purpose of determining contributions paid or payable to the system and the number of years of service credited to the member's account.

(3) The amount of benefits paid or payable to the member's Deferred Retirement Option Plan account, if any.

B. Any information requested pursuant to this Section shall be provided by the system in accordance with the laws relative to public records, R.S. 44:1 et seq.

Acts 2001, No. 843, §1, eff. June 26, 2001.

§176. Operating budget approval

A. Each state and statewide public retirement system shall submit its proposed annual operating budget to the Joint Legislative Committee on the Budget for its review.

B. The operating budgets of state public retirement systems shall be subject to the approval of the Joint Legislative Committee on the Budget. At no time shall a state public retirement system make any expenditures or obligate itself for items which deviate from its approved operating budget.

C.(1) A state public retirement system may submit a proposed modification to its approved annual operating budget to the Joint Legislative Committee on the Budget for its review and approval at any time during the course of the fiscal year.

(2) A statewide public retirement system shall submit any modification to its annual operating budget proposed at any time during the course of the fiscal year to the Joint Legislative Committee on the Budget for its review.

Acts 2004, No. 275, §1, eff. June 15, 2004.

SUBPART C. RETIREMENT BOARDS

§181. Composition of governing boards of state and statewide systems; per diem and expenses

A. Notwithstanding any other provision of law contained in any of the laws governing the state retirement systems listed in this Subsection, or any other laws to the contrary, the chairman of the House Committee on Retirement and the chairman of the Senate Committee on Retirement, or their designees, shall serve as voting ex officio members of the governing boards of each of the following state retirement systems:

(1) The Louisiana State Employees' Retirement System.

(2) The Teachers' Retirement System of Louisiana.

(3) The Louisiana School Employees' Retirement System.

(4) The Louisiana State Police Retirement System.

B. Notwithstanding any other provision of law contained in any of the laws governing the statewide retirement systems or funds listed in this Subsection, or any other laws to the contrary, the chairman of the House Committee on Retirement and the chairman of the Senate Committee on Retirement, or their designees, shall serve as voting ex officio members of the governing boards of each of the following statewide retirement systems or funds:

- (1) The Assessors' Retirement Fund.
- (2) The Clerks of Court Retirement and Relief Fund.
- (3) The District Attorneys' Retirement System.
- (4) The Firefighters' Retirement System.
- (5) The Municipal Employees' Retirement System of Louisiana.
- (6) The Municipal Police Employees' Retirement System of Louisiana.
- (7) The Parochial Employees' Retirement System of Louisiana.
- (8) The Registrars of Voters Employees' Retirement System.
- (9) The Sheriffs' Pension and Relief Fund.

C. A majority of the members shall constitute the quorum necessary for meetings of these governing boards unless a greater number is specified by statute.

D. Except as provided in Subsection E of this Section, the members of the governing boards of the above enumerated retirement systems or the designees of members for whom designees are authorized shall receive for attendance at meetings of the boards or committees thereof a per diem of seventy-five dollars per day plus the normal expense allowance allowed state employees by the division of administration, provided funds are available for this purpose. There shall be no such per diem payment for those meetings in excess of the number allowed by law.

E. The chairmen of the House and Senate committees on retirement, or their designees if members of the legislature, shall receive for attendance at meetings of the governing boards of the above enumerated retirement systems the same per diem and expenses as they receive for attendance at legislative committee meetings, and from the same sources.

Added by Acts 1976, No. 682, §1. Amended by Acts 1977, No. 167, §1; Redesignated from R.S. 42:700 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1997, No. 6, §1, eff. May 9, 1997; Acts 1997, No. 1217, §1, eff. July 1, 1997; Acts 1997, No. 1227, §1, eff. July 1, 1997; Acts 2001, No. 204, §1; Acts 2003, No. 476, §1, eff. June 20, 2003; Acts 2003, No. 953, §1, eff. July 1, 2003; Acts 2012, No. 227, §1.

§182. Boards of trustees of state and statewide public retirement systems; per diem and expenses

A.(1) Notwithstanding any other provisions of law to the contrary, the members of the boards of trustees of the Louisiana State Employees' Retirement System, the Teachers' Retirement System of Louisiana, the Louisiana School Employees' Retirement System, the Municipal Police Employees' Retirement System, the Louisiana State Police Retirement System, the Parochial Employees' Retirement System of Louisiana, the Municipal Employees' Retirement System of Louisiana, the Firefighters' Retirement System, the Assessors' Retirement Fund, the Clerks' of Court Retirement and Relief Fund, the Registrars

of Voters Employees' Retirement System, the Sheriffs' Pension and Relief Fund, and the District Attorneys' Retirement System shall receive for attendance at meetings of the boards a per diem of seventy-five dollars per meeting plus the normal expense allowance, provided funds are available for this purpose.

(2) If more than one board meeting occurs during any seven calendar day period, members shall receive per diems only for such board meetings which exceed three hours in duration. However, at least one per diem shall be paid for such seven calendar day period in which there occurs at least one board meeting. No more than one per diem shall be paid for more than one board meeting in one calendar day. Mileage expenses for attendance at board meetings shall not be allowed when travel to such meetings takes place in a governmentally owned vehicle, nor shall more than one member be reimbursed for mileage when more than one member travels to a board meeting in the same vehicle.

B. The boards as enumerated herein shall receive per diem for each meeting required by law. There shall be no such per diem payments for those meetings above and beyond the number required by law.

Added by Acts 1982, No. 774, §1, eff. July 1, 1982. Acts 1988, No. 914, §1; Acts 1991, No. 55, §1, eff. July 1, 1991; Redesignated from R.S. 42:700.2 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 2012, No. 227, §1.

§183. Board members subject to Code of Governmental Ethics

Any member of a state or statewide retirement system board of trustees who does not hold an office by virtue of an election conducted pursuant to the Louisiana Election Code shall be deemed a public employee for purposes of compliance with Chapter 15 of Title 42 of the Louisiana Revised Statutes of 1950.

Acts 2003, No. 953, §1, eff. July 1, 2003.

§184. Meetings of state and statewide retirement boards and committees

By December first of each calendar year, the board of trustees of each state and statewide retirement system shall submit to the House and Senate committees on retirement a proposed schedule of all board and committee meetings for the following calendar year. The proposed schedule shall be subject to review by the committees, and the chairman of either committee may request changes in the proposed schedule of any system in order to avoid conflicting meetings or for any other purpose.

Acts 2003, No. 953, §1, eff. July 1, 2003.

§185. Educational requirements for members of retirement system boards of trustees

A. The provisions of this Section shall apply to the following state retirement systems:

- (1) The Louisiana State Employees' Retirement System.
- (2) The Teachers' Retirement System of Louisiana.
- (3) The Louisiana School Employees' Retirement System.
- (4) The Louisiana State Police Retirement System.

B. The provisions of this Section shall apply to the following statewide retirement systems:

- (1) The Assessors' Retirement Fund.
- (2) The Clerks of Court Retirement and Relief Fund.
- (3) The District Attorneys' Retirement System.
- (4) The Firefighters' Retirement System.
- (5) The Municipal Employees' Retirement System.
- (6) The Municipal Police Employees' Retirement System.
- (7) The Parochial Employees' Retirement System.
- (8) The Registrars of Voters Employees' Retirement System.
- (9) The Sheriffs' Pension and Relief Fund.

C. The provisions of this Section shall apply to the following local retirement system: Harbor Police Retirement System.

D.(1) For purposes of this Section "actuarial science" means the application of mathematical and statistical methods to estimate future payment for benefits, to set forth an orderly and convenient way to provide the funds necessary to make those future payments, to determine the effects of asset and liability experience on pension fund costs, and to study the demographics of plan members, particularly in relation to long-term risk assessments, mortality, and morbidity.

(2) For each system to which the provisions of this Section apply, each member of the board of trustees and each designee of a member shall complete continuing education or professional development training during each twelve-month period from September first to August thirty-first as provided in this Subsection. By October fifteenth of each year, the board of trustees of each system to which this Section applies shall submit to the House and Senate committees on retirement a letter stating whether or not each member of that board has met the requirements of this Section in the previous twelve-month period and giving the date or dates upon which the required training hours were completed by each member.

(3) Each year, any member to whom this Section applies shall attend at least eight hours of investment training, four hours of actuarial science information education, two hours of education regarding the laws, rules, and regulations applicable to his system, and two hours of instruction on fiduciary duty and ethics. These training hours may be conducted by the staff of the respective retirement systems or by outside experts. Two or more systems may combine any such training. Any member who is elected or appointed to the board for the first time on or after June first shall be required to comply only with the provisions of Paragraph (4) of this Subsection.

(4) Except as otherwise provided by the constitution or in R.S. 42:3.1, no board member to whom this Section applies shall receive per diem during any calendar year unless and until he has completed the fiduciary and ethics requirement and at least one hour each of investment, actuarial science, and legal education in the current twelve-month cycle. The system shall submit evidence of training in compliance with this Paragraph to the speaker of the House of Representatives and the president of the Senate within fourteen days after the completion thereof.

(5) Additionally, no new board member to whom this Section applies shall be permitted to vote on any matter until he has completed the fiduciary and ethics requirement and one hour of education in each of the other required areas.

Acts 2003, No. 953, §1, eff. July 1, 2003; Acts 2004, No. 207, §1, eff. June 14, 2004; Acts 2011, No. 399, §1, eff. July 1, 2011; Acts 2012, No. 227, §1; Acts 2012, No. 718, §1, eff. August 31, 2012.

§186. Authorization for staff to attend executive sessions

A. As ex officio members of each of the state and statewide retirement system boards, the chairman of the House Committee on Retirement and the chairman of the Senate Committee on Retirement may each independently authorize legislative staff to attend any executive session of any board meeting or committee meeting of any state or statewide retirement system board or committee.

B.(1) An authorization made pursuant to the provisions of this Section shall be made in writing, specifically name the legislative staff member or members authorized to attend such executive sessions, and be submitted to the director of the state or statewide retirement system board whose executive sessions staff shall be authorized to attend. Such authorization shall be valid for one calendar year from the date of submission, unless modified or revoked as provided in Paragraph (2) of this Subsection.

(2) The chairman of the House Committee on Retirement and the chairman of the Senate Committee on Retirement are authorized to revoke or modify any written authorization made pursuant to this Section at any time by providing written notice to the director of the affected board. A revocation shall immediately terminate the authorization made pursuant to this Section. A modification shall act as a new written authorization and shall be valid for one calendar year from the date submitted.

C. Any information or communication which, pursuant to the provisions of this Section, is provided to or presented in the presence of authorized staff shall be subject to the same rights, duties, and privileges which apply to the chairmen as members of the board, including the attorney-client privilege.

D. A legislative staff member authorized to attend meetings pursuant to the provisions of this Section shall not be considered a "designee" as provided in R.S. 11:181 or R.S. 42:1124.2.1 and shall not be allowed to vote.

Acts 2012, No. 224, §1, eff. May 22, 2012.

SUBPART D. DUAL EMPLOYMENT; DUAL MEMBERSHIP

§191. Dual employment

A. Any person who is employed in more than one public employment within this state, except as provided in Subsection C of this Section and who, by reason of such employment is eligible, as a condition of such employment, to be a member of the public retirement system or fund applicable to employees in each of such public employments, shall be a contributing member of each such retirement system or fund during the term of his employment. In no event shall such person be allowed to earn more than one year of service credit in any one year. Service credit earned in more than one retirement system or fund in any one year shall not be transferred or recognized reciprocally to attain more than one year of service credit in any one system in any one year.

B. Any person who is a member of any public retirement system or fund on September 6, 1991, who has been employed in any public employment within the state and who has not been allowed to become a member of and to make contributions to the retirement system or fund applicable to employees in such public employment shall be allowed to purchase the service credit to which he would have been entitled in the system had he been an active contributing member of the retirement system or fund during the full term of his employment, by paying to the retirement system or fund an amount that totally offsets the actuarial cost of the receipt of the service credit. The employer for that employment may pay one-half of the actuarial cost of the receipt of the service credit; however, if the employer pays one-half of the

actuarial cost for one employee, the employer shall pay one-half of the actuarial cost for all employees purchasing service credit under this Section provided the respective retirement system has a policy, in effect prior to August 15, 1995, for purchase of such service credit. If a retirement system does not have a policy for purchase of service credit as provided in this Subsection, then the employee shall pay the entire actuarial cost of the receipt of service credit provided in this Section.

C.(1) For any member of a state or statewide retirement system elected to the legislature for a term commencing on or after July 1, 2011, and who holds another position of public office or employment within this state making him eligible for membership in such system, the earnable or earned compensation, or its equivalent, upon which his retirement benefit is calculated, shall not include any compensation for his service in the legislature occurring on or after July 1, 2011. Furthermore, no service credit shall accrue for such service as an elected member of the legislature. Neither employee nor employer contributions shall be remitted on the compensation received for such elected service in the legislature.

(2) The provisions of this Subsection shall not apply to any member serving in the legislature on June 30, 2011.

Added by Acts 1977, No. 672, §1. Acts 1986, No. 109, §1, eff. Jan. 1, 1987; Acts 1991, No. 413, §1; Redesignated from R.S. 42:701 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1992, No. 250, §1, eff. July 1, 1992; Acts 1995, No. 753, §1; Acts 2011, No. 377, §1, eff. June 30, 2011.

§192. Overpayment of benefits; corrections; repayment

Whenever any state, parochial, or municipal retirement system or pension fund pays any sum of money or benefits to a retiree, beneficiary, or survivor which is not due them, the board of trustees shall adjust the amount payable to the correct amount, and the board is hereby authorized to recover any overpayment by reducing the corrected benefit such that the overpayment will be repaid within a reasonable number of months. The board shall notify the beneficiary, or survivor, of the amount of overpayment in benefits and the amount of the adjustment in benefits, thirty days prior to any reduction from the benefit amount without the overpayment.

Added by Acts 1981, No. 266, §1; Redesignated from R.S. 42:701.1 by Acts 1991, No. 74, §3, eff. June 25, 1991.

SUBPART E. DISABILITY RETIREMENT

§201. Repealed by Acts 2008, No. 784, §2, eff. July 1, 2008.

§202. District Attorneys' Retirement System

A member who becomes disabled, and who files for disability benefits while in service, and who upon medical examination and certification, as provided for elsewhere in this Subpart, is found to be totally disabled for any cause, shall be entitled to disability benefits under the provisions of R.S. 11:1634(B) provided the member has at least ten years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service. However, if the application for disability benefits is not filed while the member is in service, it shall be presumed that the disability was not incurred while the member was an active contributing member in active service. Such presumption may be overcome only by clear, competent, and convincing evidence that the disability was incurred while the member was an active contributing member in active service.

Redesignated from R.S. 42:702(B) by Acts 1991, No. 74, §3, eff. June 25, 1991.

§203. Teachers' Retirement System

A. A member who becomes disabled, and who files for disability benefits while in service, and who upon medical examination and certification, as provided for elsewhere in this Subpart, is found to be totally disabled for any cause, shall be entitled to disability benefits under the provisions of R.S. 11:778 and 779, provided that the disability was incurred while the member was an active contributing member in active service. However, if the application for disability benefits is not filed while the member is in service, it shall be presumed that the disability was not incurred while the member was an active contributing member in active service. Such presumption may be overcome only by clear, competent, and convincing evidence that the disability was incurred while the member was an active contributing member in active service.

B.(1) A person whose first employment making him eligible for membership in one of the state systems occurred on or before December 31, 2010, applying for a disability benefit shall have five years of actual credited service in order to qualify for a disability benefit.

(2) A person whose first employment making him eligible for membership in one of the state systems occurred on or after January 1, 2011, applying for a disability benefit shall have ten years of actual credited service in order to qualify for a disability benefit. Such member shall not use credit earned while receiving workers' compensation in order to meet the minimum ten-year eligibility requirement.

C. A member covered by R.S. 11:801 of this system, who becomes disabled, and who files for disability benefits while in service, and who upon medical examination and certification as provided for elsewhere in this Subpart, is found to be totally disabled for any cause, shall be entitled to disability benefits under the provisions of R.S. 11:805, provided the member has at least five years of creditable service, and provided that the disability was incurred while the member was an active contributing member in active service. However, if the application for disability benefits is not filed while the member is in service, it shall be presumed that the disability was not incurred while the member was an active contributing member in active service. Such presumption may be overcome only by clear, competent, and convincing evidence that the disability was incurred while the member was an active contributing member in active service.

Redesignated from R.S. 42:702(C) by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 2010, No. 992, §1, eff. Jan. 1, 2011; Acts 2011, No. 368, §1, eff. July 1, 2011.

§204. School Employees' Retirement System

A. A member who becomes disabled, and who files for disability benefits while in service, and who upon medical examination and certification, as provided for elsewhere in this Subpart, is found to be totally disabled for any cause, shall be entitled to disability benefits under the provisions of R.S. 11:1147(C), provided that the disability was incurred while the member was an active contributing member in active service. However, if the application for disability benefits is not filed while the member is in state service, it shall be presumed that the disability was not incurred while the member was an active contributing member in active service. Such presumption may be overcome only by clear, competent, and convincing evidence that the disability was incurred while the member was an active contributing member in active service.

B.(1) A person whose system membership began on or before June 30, 2006, applying for a disability benefit shall have five years of actual credited service in order to qualify for a disability benefit. Such member shall not use credit earned while receiving workers' compensation in order to meet the minimum five-year eligibility requirement; however, any member receiving workers' compensation prior to January 1, 1991, shall be allowed to use credit earned while receiving workers' compensation to meet the minimum five-year eligibility requirement.

(2) A person whose system membership began on or after July 1, 2006, applying for a disability benefit shall have ten years of actual credited service in order to qualify for a disability benefit. Such member shall not use credit earned while receiving workers' compensation in order to meet the minimum ten-year eligibility requirement.

Redesignated from R.S. 42:702(D) by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 2006, No. 578, §1, eff. July 1, 2006.

§205. Repealed by Acts 2003, No. 478, §1, eff. July 1, 2003.

§206. Registrars of Voters Employees' Retirement System

A member who becomes disabled, and who files for disability benefits while in service, and who upon medical examination and certification, as provided for elsewhere in this Subpart, is found to be totally disabled for any cause, shall be entitled to disability benefits under the provisions of R.S. 11:2074(B), provided the member has at least ten years of creditable service, and provided that the disability was incurred while the member was an active contributing member in active service. However, if the application for disability benefits is not filed while the member is in service, it shall be presumed that the disability was not incurred while the member was an active contributing member in active service. Such presumption may be overcome only by clear, competent, and convincing evidence that the disability was incurred while the member was an active contributing member in active service.

Redesignated from R.S. 42:702(G) by Acts 1991, No. 74, §3, eff. June 25, 1991.

§207. Sheriffs' Pension and Relief Fund

A. A member who becomes disabled, and who files an application for disability benefits while in service, and who upon medical examination and certification as provided for elsewhere in this Subpart, is found to be totally disabled solely as the result of injuries sustained in the performance of his official duties, shall be entitled to disability benefits under the provisions of R.S. 11:2178(B)(1).

B. A member who becomes disabled, and who files for disability benefits while in service, and who upon medical examination and certification as provided for elsewhere in this Subpart, is found to be totally disabled for any cause other than injuries sustained in the performance of his official duties, provided the member has at least ten years of creditable service, and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:2178(B)(3).

C. If the application for disability benefits is not filed while the member is in service, it shall be presumed that the disability was not incurred while the member was an active contributing member in active service. Such presumption may be overcome only by clear, competent, and convincing evidence that the disability was incurred while the member was an active contributing member in active service.

Redesignated from R.S. 42:702(H) by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 2012, No. 528, §1, eff. June 30, 2012.

§208. Municipal Police Employees' Retirement System

A member who becomes disabled, and who files for disability benefits while in service, and who upon medical examination and certification as provided for elsewhere in this Subpart is found to be totally disabled solely as the result of injuries sustained in the performance of his official duties, or for any cause if the member has at least ten years of creditable service, provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits

under the provisions of R.S. 11:2223(B). However, if the application for disability benefits is not filed while the member is in service, it shall be presumed that the disability was not incurred while the member was an active contributing member in active service. Such presumption may be overcome only by clear, competent, and convincing evidence that the disability was incurred while the member was an active contributing member in active service.

Redesignated from R.S. 42:702(I) by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 2008, No. 110, §1, eff. July 1, 2008.

§209. Parochial Employees' Retirement System

A. A member covered by Plan A of this system, who becomes disabled, and who files for disability benefits while in service, and who upon medical examination and certification, as provided for elsewhere in this Subpart, is found to be totally disabled for any cause, shall be entitled to disability benefits under the provisions of R.S. 11:1943 and 1944, provided the member has at least five years of creditable service, and provided that the disability was incurred while the member was an active contributing member in active service. However, if the application for disability benefits is not filed while the member is in service, it shall be presumed that the disability was not incurred while the member was an active contributing member in active service. Such presumption may be overcome only by clear, competent, and convincing evidence that the disability was incurred while the member was an active contributing member in active service.

B. A member covered by Plan B of this system who becomes disabled, and who files for disability benefits while in service, and who upon medical examination and certification, as provided for elsewhere in this Subpart, is found to be totally disabled for any cause, shall be entitled to disability benefits under the provisions of R.S. 11:1963 and 1964, provided the member has at least five years of creditable service, and provided that the disability was incurred while the member was an active contributing member in active service. However, if the application for disability benefits is not filed while the member is in service, it shall be presumed that the disability was not incurred while the member was an active contributing member in active service. Such presumption may be overcome only by clear, competent, and convincing evidence that the disability was incurred while the member was an active contributing member in active service.

C. A member covered by Plan C of this system who becomes disabled, and who files for disability benefits while in service, and who upon medical examination and certification, as provided for elsewhere in this Subpart, is found to be totally disabled for any cause, shall be entitled to disability benefits under the provisions of R.S. 11:1973 and 1974, provided the member has at least five years of creditable service, and provided that the disability was incurred while the member was an active contributing member in active service. However, if the application for disability benefits is not filed while the member is in service, it shall be presumed that the disability was not incurred while the member was an active contributing member in active service. Such presumption may be overcome only by clear, competent, and convincing evidence that the disability was incurred while the member was an active contributing member in active service.

Redesignated from R.S. 42:702(J) by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1997, No. 867, §1, eff. July 1, 1997; Acts 2001, No. 695, §1, eff. Jan. 1, 2002.

§210. Municipal Employees' Retirement System

A. A member covered by Plan A of this system, who becomes disabled, and who files for disability benefits while in service, and who upon medical examination and certification, as provided for elsewhere in this Subpart, is found to be totally disabled for any cause, shall be entitled to disability benefits under the provisions of R.S. 11:1784, provided the member has at least five years of creditable service, and provided that the disability was incurred while the member was an active contributing member in active

service. However, if the application for disability benefits is not filed while the member is in service, it shall be presumed that the disability was not incurred while the member was an active contributing member in active service. Such presumption may be overcome only by clear, competent, and convincing evidence that the disability was incurred while the member was an active contributing member in active service.

B. A member covered by Plan B of this system, who becomes disabled, and who files for disability benefits while in service, and who upon medical examination and certification as provided for elsewhere in this Subpart, is found to be totally disabled for any cause, shall be entitled to disability benefits under the provisions of R.S. 11:1804, provided the member has at least ten years of creditable service, and provided that the disability was incurred while the member was an active contributing member in active service. However, if the application for disability benefits is not filed while the member is in service, it shall be presumed that the disability was not incurred while the member was an active contributing member in active service. Such presumption may be overcome only by clear, competent, and convincing evidence that the disability was incurred while the member was an active contributing member in active service.

Redesignated from R.S. 42:702(K) by Acts 1991, No. 74, §3, eff. June 25, 1991.

§211. Louisiana State Police Retirement System

A. A member whose first employment making him eligible for membership in one of the state systems occurred on or before December 31, 2010, who becomes disabled, and who files for disability benefits while in service, and who upon medical examination and certification as provided for elsewhere in this Subpart is found to be either totally or partially disabled solely as the result of injuries sustained in the performance of his official duties, or totally disabled for any cause, provided the member has at least five years of creditable service, and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:1313(B).

B. A member whose first employment making him eligible for membership in one of the state systems occurred on or after January 1, 2011, who becomes disabled and who files for disability benefits while in service, and who upon medical examination and certification as provided for elsewhere in this Subpart is found to be either totally or partially disabled solely as the result of injuries sustained in the performance of his official duties, or totally disabled for any cause, provided the member has at least ten years of creditable service, and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:1345.7.

C. If the application for disability benefits is not filed while the member is in service, it shall be presumed that the disability was not incurred while the member was an active contributing member in active service. Such presumption may be overcome only by clear, competent, and convincing evidence that the disability was incurred while the member was an active contributing member in active service.

Redesignated from R.S. 42:702(L) by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 2010, No. 992, §1, eff. Jan. 1, 2011; Acts 2012, No. 227, §1.

§212. Louisiana State Employees' Retirement System

A. A member who becomes disabled, and who is not eligible for regular retirement, and who files for disability benefits while in service, and who upon medical examination and certification, as provided for elsewhere in this Subpart, is found to be totally disabled for any cause, shall be entitled to disability benefits under the provisions of R.S. 11:461(B), provided the member has at least ten years of creditable

service, and provided that the disability was incurred while the member was an active contributing member in active state service.

B.(1) Subject to the appropriation of funds for this purpose, a member of the Louisiana State Employees' Retirement System whose first employment making him eligible for membership in one of the state systems occurred on or before December 31, 2010, who is a correction officer, probation or parole officer, or security officer of the Department of Public Safety and Corrections, and who, upon medical examination and certification as provided in this Subpart, is found to be either totally disabled or partially disabled or incapacitated solely as the result of injuries sustained in the official performance of official duties of a hazardous nature, shall be entitled to disability benefits under the provisions of R.S. 11:461(B) regardless of the number of years of service, provided the member has been a correction officer, probation or parole officer, or a security officer of the Department of Public Safety and Corrections.

(2) Any member whose first employment making him eligible for membership in one of the state systems occurred on or after January 1, 2011, who is employed as a correction officer, probation or parole officer, or security officer of the Department of Public Safety and Corrections and who, upon medical examination and certification as provided in this Subpart, is found to be totally and permanently disabled solely as the result of injuries sustained in the official performance of official duties of a hazardous nature, or totally disabled other than in the performance of his duties, shall be entitled to disability benefits under the provisions of R.S. 11:617.

C. If the application for disability benefits is not filed while the member is in state service, it shall be presumed that the disability was not incurred while the member was an active contributing member in active service. Such presumption may be overcome only by clear, competent, and convincing evidence that the disability was incurred while the member was an active contributing member in active service.

Redesignated from R.S. 42:702(M) by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1995, No. 864, §1, eff. July 1, 1995; Acts 2010, No. 992, §1, eff. Jan. 1, 2011.

NOTE: See Acts 2004, No. 7, §6, providing that the Act shall not affect or change any law relative to retirement or retirement or survivor benefits of employees of the Dept. of Public Safety and Corrections.

§213. Assessors' Retirement Fund

A. A member who becomes disabled, and who files for disability benefits while in service, and who upon medical examination and certification as provided for elsewhere in this Subpart, is found to be totally disabled solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least twelve years of creditable service, and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:1432. However, if the application for disability benefits is not filed while the member is in service, it shall be presumed that the disability was not incurred while the member was an active contributing member in active service. Such presumption may be overcome only by clear, competent, and convincing evidence that the disability was incurred while the member was an active contributing member in active service.

B. A member with twenty years creditable service, who after having withdrawn from service prior to reaching retirement age becomes totally and permanently disabled for any cause, is also eligible for disability benefits under the provisions of R.S. 11:1432.

Redesignated from R.S. 42:702(N) by Acts 1991, No. 74, §3, eff. June 25, 1991.

§214. Employees of the enforcement division in the Department of Wildlife and Fisheries

A.(1) A member of the Louisiana State Employees' Retirement System whose first employment making him eligible for membership in one of the state systems occurred on or before December 31, 2010, who is an employee of the enforcement division in the Department of Wildlife and Fisheries, and who upon medical examination and certification as provided for elsewhere in this Subpart, is found to be either totally disabled solely as the result of injuries sustained in the official performance of his official duties, or partially disabled or incapacitated for any reason, provided the member has been an employee of the enforcement division for at least ten years, and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:583(B).

(2) Any member whose first employment making him eligible for membership in one of the state systems occurred on or after January 1, 2011, who is employed by the enforcement division in the Department of Wildlife and Fisheries, who becomes disabled and who files for disability benefits while in service, and who upon medical examination and certification as provided for elsewhere in this Subpart is found to be totally and permanently disabled solely as the result of injuries sustained in the performance of his official duties, or totally disabled for any cause, provided the member has at least ten years of creditable service, shall be entitled to disability benefits under the provisions of R.S. 11:617.

B. If the application for disability benefits is not filed while the member is in state service, it shall be presumed that the disability was not incurred while the member was an active contributing member in active service. Such presumption may be overcome only by clear, competent, and convincing evidence that the disability was incurred while the member was an active contributing member in active service.

Redesignated from R.S. 42:702(O) by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 2010, No. 992, §1, eff. Jan. 1, 2011.

§215. Firefighters' Retirement System

A. A member who becomes disabled, and who files for disability benefits while in service, and who upon medical examination and certification as provided for elsewhere in this Subpart, is found to be totally disabled solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:2258(B).

B. An application for disability benefits shall be filed within thirty days after the exhaustion of all sick and annual leave for which the applicant is eligible. Disability benefits shall accrue from the filing date of the application for disability retirement.

C. If the application for disability benefits is not filed while the member is in service, it shall be presumed that the disability was not incurred while the member was an active contributing member in active service. Such presumption may be overcome only by clear, competent, and convincing evidence that the disability was incurred while the member was an active contributing member in active service.

Redesignated from R.S. 42:702(P) by Acts 1991, No. 74, §3, eff. June 25, 1991.

§216. Preexisting conditions

Any disability claimed by a member of a state or statewide retirement system must have been incurred after commencement of service in the system with which the claim is filed. Disability claims shall not be honored in the case of preexisting conditions.

Redesignated from R.S. 42:702(Q) by Acts 1991, No. 74, §3, eff. June 25, 1991.

§217. Disability vesting

Any member of a state or statewide retirement system who has completed twenty years of creditable service, and who has withdrawn from active service prior to the age at which he is eligible to begin receiving retirement benefits, shall be eligible in the event of total and permanent disability, for the lesser of all nonservice related disability benefits provided by his retirement system, or the normal vested retirement benefit. Upon attaining the normal vested retirement age, his disability benefit shall cease and he shall receive his full vested regular retirement.

Added by Acts 1978, No. 727, §10, eff. Jan. 1, 1979. Amended by Acts 1978, No. 787, §1, eff. July 17, 1978, Acts 1980, No. 808, §1; Redesignated from R.S. 42:702.1 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 2001, No. 89, §1, eff. July 1, 2001.

§218. Application and examination procedures; certification of disability

A. Any eligible member of a state or statewide retirement system listed in this Subpart who becomes disabled may apply for disability benefits to the board of trustees of the retirement system of which he is a member. The board of trustees shall require the supervisor of the applicant to submit to the board a report which shall include a brief history of the case and the supervisor's opinion as to the applicant's present ability to perform the normal duties required of him.

B. The applicant's disability case history shall be examined either by that member of the State Medical Disability Board whose area of specialty most closely relates to the nature of the claimed disability or by an outside physician designated by the board. The examining physician shall either conduct a medical examination of the applicant, or waive the medical examination if obvious and overwhelming medical evidence of disability exists to his satisfaction. The cost of the examination, including costs of laboratory tests, X-rays, and other such direct examination procedures shall be borne by the applicant's retirement system; however, all nondirect costs such as hospital room and board charges and other such expenses shall be borne by the applicant. The initial examination shall be completed within six weeks of the date of the applicant's filing for benefits.

C. The examining physician shall submit to the appropriate board of trustees an in-depth report which shall include a medical evaluation and his conclusions as to the applicant's claimed disability. Each member of the State Medical Disability Board and any board designated physician shall have full authority to certify total disability in those applicants whom he examines. An applicant shall be considered as certified totally disabled if in the in-depth report submitted by the examining physician to the board of trustees, the physician declares the applicant to be totally incapacitated for the further performance of his normal duties and states that such incapacity is likely to be permanent. In the case of partial disability, the physician shall indicate the degree of incapacity.

D.(1) Should the examining physician's final certification decision be contested by either the applicant or the applicant's board of trustees, the contesting party shall have the right to a second medical examination if a written appeal is filed within thirty days of notification of the certification decision. This second examination shall be performed by a member of the State Medical Disability Board, or by a board designated physician and shall be at the expense of the requesting party. The second physician shall also submit an in-depth report to the applicant's board of trustees which shall include his medical evaluation and conclusions as to the applicant's claimed disability.

(2) If the second examining physician concurs in the findings and recommendations of the first physician, the first physician's original decision on certification shall stand as final and binding and shall not be subject to further appeal other than through the courts.

(3) If the second examining physician disagrees with the findings and recommendations of the first physician, the two physicians shall select a third specialist to conduct another examination and prepare and file a third report in the same manner as provided for above. The majority opinion of the three examining physicians shall be final and binding and not subject to further appeal other than through the courts. The cost of the third medical examination shall be borne by the retirement system of the applicant if he is certified as disabled, or by the applicant if his disability claim is denied.

E. The board of trustees of a state or statewide retirement system shall receive a final and binding disability certification from a member of the State Medical Disability Board, or a board designated physician, and retire an eligible disability applicant within one hundred and twenty days of the applicant's date of filing for disability retirement. Disability benefits shall accrue from the filing date of the application for disability retirement, or from the day following the exhaustion of all sick leave or annual leave claimed by the applicant, whichever is the later.

Added by Acts 1978, No. 727, §10, eff. Jan. 1, 1979; Redesignated from R.S. 42:703 by Acts 1991, No. 74, §3, eff. June 25, 1991.

§219. State Medical Disability Board

A. The State Medical Disability Board shall be composed of physicians appointed by the board of trustees of each state and statewide retirement system, with each physician serving at the pleasure of the board of trustees that appointed him. Each medical board member shall, according to the provisions of R.S. 11:218, be responsible for either reviewing the medical case histories of or conducting medical examinations of members of any state and statewide retirement systems who apply for disability benefits and for submitting his findings and recommendations to the appropriate boards of trustees.

B. The board of trustees of the appropriate system may, at their discretion or upon recommendation of a physician on the State Medical Disability Board, call upon physicians in any area of medical specialty and from any area of the state either to review case histories or to conduct regular or appeal examinations of disability retirement applicants. These alternate physicians shall follow the same procedures and have the same authority as regular members of the medical board under the provisions of R.S. 11:218(D).

Added by Acts 1983, No. 21, §1; Redesignated from R.S. 42:703.1 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1993, No. 361, §1.

§220. Certification of continuing eligibility for disability benefits

A. Once each year during the first five years following retirement of a member of a state or statewide retirement system on a disability retirement allowance, and once in every three-year period thereafter, the appropriate board of trustees may require any disability beneficiary who has not yet attained the equivalent age of regular retirement to undergo a medical examination, at the beneficiary's expense, such examination to be made at the place of residence of said beneficiary if he is immovable or other place mutually agreed upon, by a physician on the State Medical Disability Board or a board designated specialist. The examining physician shall submit a report to the board of trustees recommending either the continuation or cessation of the beneficiary's disability status. A contested decision shall be appealed under the procedures described in R.S. 11:218.

B. Should any disability beneficiary who has not yet attained the equivalent age of regular retirement refuse to submit to at least one medical examination in any such year by a medical board physician designated by the board of trustees, his allowance shall be discontinued until his withdrawal of such refusal, and should his refusal continue for one year all his rights in and to his disability pension shall be revoked by the board of trustees.

C. The board of trustees, upon receipt of a final and binding report from a member of the State Medical Disability Board declaring a beneficiary's total disability to have ceased, shall order the discontinuation of the disability allowance.

D. Neither the former receipt of, nor the involuntary termination of disability benefits shall affect the right of any person to any regular retirement benefits based upon age or service to which he is eligible.

Added by Acts 1978, No. 727, §10, eff. Jan. 1, 1979; Redesignated from R.S. 42:704 by Acts 1991, No. 74, §3, eff. June 25, 1991.

§221. Authority of retirement boards to modify benefits; earnings statements

A.(1) Should the board of trustees of a state or statewide retirement system determine that a disability beneficiary is engaged in a gainful occupation paying more than the difference between his retirement allowance and his average final compensation, and should the board of trustees concur in such report, then the amount of his pension shall be reduced to an amount, which, together with his annuity and the amount earnable by him, shall equal the amount of his average final compensation. Should his earning capacity be later changed, the amount of his pension shall be further modified; however, the new pension shall not exceed the amount of the pension originally granted nor an amount, which, when added to the amount earnable by the beneficiary together with his annuity, equals the amount of his average final compensation.

(2) Notwithstanding the provisions of this Subsection, any disability retiree of the Municipal Police Employees' Retirement System who has attained the age of sixty-two years, or any member of the Municipal Police Employees Retirement System who was a full-time police officer, who is a disability beneficiary, and whose disability was caused while the police officer suffered a bilateral knee injury disability while the police officer was in the discharge of his duties shall not have his benefit reduced as a result of any earned income attributable to gainful employment. Such earned income shall not be considered or included in any calculation otherwise required by Paragraph (1) of this Subsection. No funds derived from the assessments against insurers pursuant to R.S. 22:1476 shall be used to pay any increased costs or increase in liability of the system resulting from inclusion of disability retirees who have attained the age of sixty-two in the provisions of this Paragraph.

B. For the purposes of this Section, there shall be an annual cost-of-living adjustment to the average final compensation figure used in the modification computations. This cost-of-living adjustment shall be based upon and directly reflect the annual percentage increase or decrease in the Consumer Price Index for the preceding calendar year.

C.(1) Every disability beneficiary of a state or statewide retirement system shall submit to the board of trustees by May first of every year a notarized annual earnings statement detailing his earned income from employment in the previous tax year. Should a beneficiary refuse to submit such an earnings statement by May first, his allowance may be discontinued, without retroactive reimbursement, until the statement is filed. Should his refusal continue for the remainder of the calendar year, all his rights in and to his disability pension may be revoked by the board of trustees.

(2) Every disability retiree of the Municipal Police Employees' Retirement System who has attained the age of sixty-two years shall be exempt from the provisions of this Subsection. No funds derived from the assessments against insurers pursuant to R.S. 22:1476 shall be used to pay any increased costs or increase in liability of the system resulting from the provisions of this Paragraph.

D.(1) Any disability retirement allowance, including that received under authority of R.S. 11:217, shall be modified by the board of trustees when the sum of a whole life annuity equivalent of the benefits or financial awards which accrue to a disability retiree solely as a result of his disability and the disability pension to which the retiree is entitled exceeds the amount of his average final compensation, in such a

matter that the sum of the above equals the amount of average final compensation. Should these outside benefits or awards be reduced, exhausted, or terminated, the board of trustees may increase the disability pension then being received by retirees so that the sum of the pension benefits and the outside benefits equals the amount of average final compensation; but in no case shall the disability pension be increased to an amount greater than that to which the beneficiary was originally entitled when he retired.

(2) Individual private insurance settlements and separate private retirement accounts and other similar nonsystem resources, including disability benefits from the Social Security Administration and the Veterans Administration, other than worker's compensation, shall be specifically exempted from consideration in any of the above computations. Social security shall not be deducted if the retirement system in which the member is vested provides for joint participation and benefits with social security.

(3) For the purposes of this Subsection, there shall be an annual cost-of-living adjustment to the average final compensation figure used in the modification computations. This cost-of-living adjustment shall be based upon and directly reflect the annual percentage increased or decreased in the Consumer Price Index for the preceding calendar year.

(4) Notwithstanding any other law to the contrary, any member who retires while in service on a disability retirement and who has credit for the years of service required for normal retirement shall, upon attainment of the age required for normal retirement, be eligible to receive full normal retirement benefits. To receive such benefits, the member shall file an application with the board of trustees of the retirement system. Upon commencement of regular retirement benefits, disability benefits shall cease.

E. The provisions of this Section, as applied to the Teachers' Retirement System, shall be applied in conjunction with R.S. 11:780, if applicable.

Added by Acts 1978, No. 727, §10, eff. Jan. 1, 1979. Amended by Acts 1980, No. 808, §1; Acts 1983, 1st Ex.Sess., No. 1, §6; Acts 1987, No. 828, §1; Acts 1990, No. 171, §1, eff. July 1, 1990; Redesignated from R.S. 42:705 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 2000, 1st Ex. Sess., No. 94, §1, eff. April 17, 2000; Acts 2000, 1st Ex. Sess., No. 115, §1, eff. July 1, 2000; Acts 2001, No. 89, §1, eff. July 1, 2001; Acts 2003, No. 606, §1; Acts 2008, No. 415, §2, eff. Jan. 1, 2009.

§222. Exemption from restrictions on other income for persons confined to a wheelchair; state police; municipal police; sheriffs

A. Any disability beneficiary of the Louisiana State Police Retirement System or of the Municipal Police Employees' Retirement System receiving disability benefits as a result of an injury sustained in the line of duty, who, as a result of his disability, is permanently and completely confined to a wheelchair for movement of person, or is permanently and legally blind as a result of injury suffered in the line of duty, shall be exempt from the provisions of R.S. 11:221 or any other provision of law which provides for reduction of disability benefits if the recipient, subsequent to his disability, becomes gainfully employed.

B. Any disability beneficiary of the Sheriffs' Pension Fund receiving disability benefits as a result of an injury sustained in the line of duty, who is permanently and completely confined to a wheelchair for movement of person as a result of injury sustained in the line of duty, shall be exempt from the provisions of R.S. 11:221 or any other provision of law which provides for reduction of disability benefits, if the recipient subsequent to the disability becomes gainfully employed.

Acts 1986, No. 615, §1; Acts 1991, No. 457, §1, eff. July 1, 1991; Acts 1991, No. 646, §1; Redesignated from R.S. 42:705.1 by Acts 1991, No. 74, §§3, 5, eff. June 25, 1991; Acts 2012, No. 227, §1.

§223. Exemption from restrictions on other income for amputees; state police; municipal police

Any disability beneficiary of the Louisiana State Police Retirement System or of the Municipal Police Employees' Retirement System receiving disability benefits as a result of an injury sustained in the line of duty, who, as a result of his injury, is an amputee to a degree that he would be disqualified from serving as a state trooper or as a municipal policeman, shall be exempt from the provisions of R.S. 11:221 or any other provision of law which provides for reduction of disability benefits if the recipient, subsequent to his disability, becomes gainfully employed.

Acts 1988, No. 73, §1; Acts 1991, No. 457, §1, eff. July 1, 1991; Redesignated from R.S. 42:705.2 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 2012, No. 227, §1.

§224. Restoration to active service

If any disability retiree of a state or statewide retirement system who is under the age of sixty years is restored to active service, his retirement allowance shall cease, he shall again become a member of the retirement system, and he shall contribute thereafter at the current rate in effect at the time he is restored to service, and if he contributes for at least three years, the period of time on disability shall be counted as accredited service for purposes of establishing retirement eligibility, but not for computation of benefits. Any prior service certificate on which his service was computed at the time of his retirement shall be restored to full force and effect and, in addition, upon his subsequent retirement he shall be credited with all his service as a member. This Section shall apply to all disability retirees, regardless of the date they qualified for a disability retirement benefit.

Added by Acts 1978, No. 727, §10, eff. Jan. 1, 1979. Amended by Acts 1982, No. 172, §1; Redesignated from R.S. 42:706 by Acts 1991, No. 74, §3, eff. June 25, 1991.

§225. Restoration to active service; trial period

Notwithstanding the provisions of R.S. 11:224 or any other provision of law to the contrary, any disability retiree of the Louisiana State Employees' Retirement System may return to active service for a trial period of not more than six months with no effect other than the suspension of the retirement allowance during the period of reemployment. If he does not work more than six months, the retirement allowance shall be reinstated without the necessity of any reapplication for disability retirement or medical examination, or related matters. In addition, during this temporary period of employment no changes shall occur with respect to the Office of Group Benefits coverage. He shall be treated as if he were still receiving his retirement benefit except that deductions shall be made from his compensation rather than from his retirement allowance.

Acts 1991, No. 499, §2, eff. July 15, 1991; Redesignated from R.S. 42:707 by Acts 1991, No. 74, §5, eff. June 25, 1991; Acts 2001, No. 1178, §1, eff. June 29, 2001; Acts 2004, No. 267, §1, eff. June 15, 2004.

NOTE: See Acts 1991, No. 500, §3, relative to retroactive effect of this Section enacted by that Act.

SUBPART F. RETIREMENT BENEFIT COMPUTATION

§231. Average compensation

A. Notwithstanding any other provisions of law to the contrary, the provisions of this Section shall be applicable, unless specifically exempted in Subsection C of this Section, to all members of the following public retirement systems:

- (1) Assessors' Retirement Fund.
- (2) Repealed by Acts 2010, No. 273, §2, eff. Jan. 1, 2011.

(3) Repealed by Acts 2013, No. 220, §27, eff. June 11, 2013.

(4) Repealed by Acts 2011, No. 238, §2, eff. June 30, 2011.

(5) Registrars of Voters Employees' Retirement System.

(6) Repealed by Acts 2013, No. 231, §2, eff. June 30, 2013.

(7) Repealed by Acts 2011, No. 238, §2, eff. June 30, 2011.

B. For purposes of retirement benefit computation, average compensation, or its equivalent, shall be based on the thirty-six highest successive months of employment, or on the highest thirty-six successive joined months of employment where interruption of service occurred. The earnings to be considered for the thirteenth through the twenty-fourth month shall not exceed one hundred twenty-five percent of the earnings of the first through the twelfth month. The earnings to be considered for the final twelve months shall not exceed one hundred twenty-five percent of the earnings of the thirteenth through the twenty-fourth month. Nothing in this Subsection, however, shall change the method of determining the amount of earned compensation received.

C.(1) This Section shall not apply to members of the following retirement systems whose first employment making them eligible for system membership began on or after July 1, 2006:

(a) Clerks' of Court Retirement and Relief Fund.

(b) Repealed by Acts 2011, No. 238, §2, eff. June 30, 2011.

(c) Registrars of Voters Employees' Retirement System.

(d) Repealed by Acts 2013, No. 231, §2, eff. June 30, 2013.

(2) This Section shall not apply to members of the Parochial Employees' Retirement System whose first employment making them eligible for system membership began on or after January 1, 2007.

(3) This Section shall not apply to members of the Assessors' Retirement Fund whose first employment making them eligible for system membership began on or after October 1, 2006.

Added by Acts 1978, No. 632, §1, eff. Aug. 15, 1978. Acts 1986, No. 367, §1, eff. Jan. 1, 1987; Acts 1990, No. 570, §2, eff. July 1, 1993; Redesignated from R.S. 42:710 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1995, No. 577, §2, eff. July 1, 1995; Acts 2005, No. 75, §1, eff. July 1, 2005; Acts 2006, No. 563, §1, eff. June 23, 2006; Acts 2006, No. 578, §1, eff. July 1, 2006; Acts 2006, No. 579, §1, eff. June 23, 2006; Acts 2006, No. 584, §2, eff. July 1, 2006; Acts 2006, No. 647, §1, eff. July 1, 2006; Acts 2006, No. 780, §1, eff. June 30, 2006; Acts 2010, No. 273, §2, eff. Jan. 1, 2011; Acts 2010, No. 992, §1, eff. Jan. 1, 2011; Acts 2011, No. 238, §2, eff. June 30, 2011; Acts 2013, No. 220, §27, eff. June 11, 2013; Acts 2013, No. 231, §2, eff. June 30, 2013.

NOTE: See Acts 1986, No. 367, §2.

NOTE: See Acts 2006, No. 584, §3, relative to Act superceding conflicting Acts of the 2006 R.S.

§232. Repealed by Acts 2001, No. 436, §1, eff. July 1, 2001.

§233. Earnable compensation

A. The provisions of this Section shall apply to the following public retirement or pension systems, funds, and plans:

- (1) Firefighters' Retirement System.
- (2) Sheriffs' Pension and Relief Fund.
- (3) Parochial Employees' Retirement System of Louisiana.
- (4) Assessors Retirement Fund.

B.(1) Except as provided in Paragraph (4) of this Subsection, and without repealing comparable provisions contained within the individual laws governing retirement or pension systems, funds, and plans referenced in Subsection A hereof but superseding any such provisions which conflict with the provisions of this Section, for purposes of calculation of the amount of contributions payable by an employer and employee and for computation of average compensation, earnings or earned or earnable compensation, or its equivalent, shall mean the full amount earned by an employee for a given pay period.

(2) Earnings or earned or earnable compensation shall not include:

- (a) Overtime unless it is required to be worked in the employee's regular tour of duty;
- (b) Operating expenses;
- (c) Use of automobile or motor vehicles;
- (d) The cost of any insurance paid by the employer;
- (e) Any allowance for expenses incurred as an incident of employment;
- (f) Payments made in lieu of unused annual or sick leave; and
- (g) Bonuses, terminal pay, severance pay, deferred salary, or any other type of irregular or nonrecurring payment.

(3) Notwithstanding the provisions of Subparagraph (2)(g) of this Subsection amounts deducted for deferred salary shall be included to calculate the amount of contributions payable by an employer and employee and to compute average compensation with respect to the Firefighters' Retirement System, the Sheriffs' Pension and Relief Fund, and the Parochial Employees' Retirement System of Louisiana.

(4)(a) To the extent there is a conflict between the provisions of this Subsection and R.S. 11:1902 as to "earnings", the provisions of R.S. 11:1902 shall prevail.

(b) To the extent there is a conflict between the provisions of this Subsection and R.S. 11:2252 as to "earnable compensation", the provisions of R.S. 11:2252 shall prevail.

C. Contributions required to be made by the employer shall not be considered as part of the employee's rate of pay or compensation.

D.(1) In addition to other applicable limitations set forth in the plan, and notwithstanding any other provision of the plan to the contrary, for plan years beginning on or after January 1, 1994, the annual compensation of each employee taken into account under the plan shall not exceed the annual compensation limit provided in Internal Revenue Code Section 401(a)(17), of one hundred fifty thousand dollars, as adjusted by the Commissioner of Internal Revenue for increases in the cost-of-living in accordance with Internal Revenue Code Section 401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding twelve months, over which compensation is determined (determination period) beginning in such calendar year. If a determination period consists of fewer than twelve months, the annual compensation limit provided in Internal Revenue Code Section 401(a)(17) will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is twelve.

(2)(a) For plan years beginning on or after January 1, 1994, any reference in this plan to the limitation under Internal Revenue Code Section 401(a)(17) shall mean the annual compensation limit of Internal Revenue Code Section 401(a)(17) as set forth in this Subsection.

(b) If the compensation for a prior determination period is taken into account in determining an employee's benefits accruing in the current plan year, the compensation for that prior determination period is subject to the annual compensation limit provided in Internal Revenue Code Section 401(a)(17) in effect for that prior determination period. For this purpose, for determination periods beginning before the first day of the first plan year beginning on or after January 1, 1994, the annual compensation limit provided in Internal Revenue Code Section 401(a)(17) is one hundred fifty thousand dollars.

(c) Effective for plan years beginning before January 1, 1997, the annual compensation limit provided in Internal Revenue Code Section 401(a)(17) shall apply in the aggregate to highly compensated employees and family members, and the allocation of compensation among such family members as spouses and children under age of nineteen years, shall be made in proportion to their compensation before the application of this Section, except that family members who are not eligible to participate in the plan, who participate but are not eligible to share in the benefit accrual because such persons are not members of the eligible class of employees or have completed fewer than the requisite number of hours of service or have terminated employment with the employer, shall not be allocated any portion of the Internal Revenue Code Section 401(a)(17) compensation limit for the year. The aggregation of compensation among family members shall not apply for plan years beginning on or after January 1, 1997.

Acts 1986, No. 1059, §1; Acts 1987, No. 911, §1; Redesignated from R.S. 42:710.2 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1997, No. 691, §1, eff. July 1, 1997; Acts 2006, No. 508, §1, eff. June 22, 2006; Acts 2008, No. 261, §1, eff. June 17, 2008.

§234. Survivor benefits

A. The provisions of this Section shall be applicable to all members of the following public retirement systems:

- (1) Assessors' Retirement Fund.
- (2) Clerks of Court Retirement and Relief Fund.
- (3) District Attorneys' Retirement System.
- (4) Firefighters' Retirement System.
- (5) Louisiana School Employees' Retirement System.

- (6) Louisiana State Employees' Retirement System.
- (7) Municipal Employees' Retirement System of Louisiana.
- (8) Municipal Police Employees' Retirement System.
- (9) Parochial Employees' Retirement System of Louisiana.
- (10) Registrars of Voters Employees' Retirement System.
- (11) Sheriffs' Pension and Relief Fund.
- (12) Louisiana State Police Retirement System.
- (13) Teachers' Retirement System of Louisiana.

B. Notwithstanding any other provision of law to the contrary, any person who, after June 22, 1993, is receiving survivor benefits or becomes eligible to receive survivor benefits shall not have their benefits discontinued upon remarriage if such remarriage occurs after their attaining age fifty-five.

Acts 1993, No. 774, §1, eff. June 22, 1993; Acts 2012, No. 227, §1.

SUBPART F-1. SURVIVING MINOR'S BENEFIT

PLACED IN TRUST

§235. Minor's benefit placed in trust; payable under trust instrument

A. If a state or statewide retirement system provides for payment of benefits to the minor child of a deceased member, when there is no surviving spouse or when the surviving spouse does not have legal custody of the minor child, then, notwithstanding any other provision of law to the contrary, benefits shall be paid to such minor child in accordance with the law of the respective state or statewide retirement system except as provided in Subsection B of this Section.

B. If a trust has been created under Louisiana law by the deceased member for the benefit of the child, the terms of the instrument creating the trust so provide, and the respective system has been provided with a certified copy of the trust document, then the survivor benefit due the minor child shall be paid to the trustee for addition to the trust property. If the trust is contested by any party, the respective retirement system shall withhold all survivor benefit payments or deposit them in the registry of the court if a concursus proceeding is filed, until there is a final binding legal agreement or judgment regarding the proper payment of the survivor benefits.

Acts 1995, No. 54, §1, eff. June 12, 1995.

SUBPART G. COST-OF-LIVING ADJUSTMENTS

§241. Purpose; formula for distribution

A. The purpose of this Subpart is to provide with respect to a system of cost-of-living adjustments for retirees of public retirement systems, funds, and plans as specified herein. The provisions of this Subpart do not repeal provisions relative to cost-of-living adjustments contained within the individual laws

governing the systems, funds, and plans affected by the Subpart; however, the provisions of this Subpart are to be controlling in cases of conflicts with the individual laws.

B. Any increase of benefits granted by the legislature or by a state or statewide public retirement system shall be distributed in accordance with the provisions of this Subsection, if the legislature or system does not otherwise specify the terms for such distribution. Any such increase shall be a monthly increase in the benefit of each recipient determined in accordance with the formula " $X(A + B)$ ",¹ where "A" is equal to the number of years of credited service accrued at retirement or at death of the member or retiree, "B" is equal to the number of years since retirement or since death of the member or retiree to June thirtieth of the initial year of such increase, and "X" is equal to one dollar. If there are not sufficient funds to fund "X" at the level of one dollar, then "X" shall be a variable value in accordance with the amount of funds that are available to fund the cost-of-living adjustment.

Added by Acts 1980, No. 798, §1, eff. Aug. 1, 1980; Redesignated from R.S. 42:711 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1995, No. 1017, §1, eff. June 29, 1995.

¹As appears in enrolled bill.

§242. Cost-of-living adjustments; permanent benefit increases; restrictions

A. The provisions of this Section do not repeal provisions relative to cost-of-living adjustments contained within the individual laws governing the systems, funds, and plans set forth in Subsection B of this Section. However, the provisions of this Section are to be controlling in cases of conflicts with the individual laws.

B. The power of the respective governing authorities to amend the respective retirement systems to provide cost-of-living adjustments for each of the following public retirement systems:

- (1) The Assessors' Retirement Fund.
- (2) The Clerks' of Court Retirement and Relief Fund.
- (3) The District Attorneys' Retirement System.
- (4) The Municipal Employees' Retirement System of Louisiana.
- (5) The Parochial Employees' Retirement System of Louisiana.
- (6) The Registrars of Voters Employees' Retirement System.
- (7) The Sheriffs' Pension and Relief Fund.
- (8) The Municipal Police Employees' Retirement System.
- (9) The Firefighters' Retirement System.

shall only be effective in calendar years during which the legislature fails to enact legislation granting cost-of-living adjustments, unless in the legislation granting a cost-of-living adjustment, the legislature specifically authorized the aforementioned systems to amend the respective retirement systems to provide an additional cost-of-living adjustment to retirees or survivors of retired public employees of particular systems, funds, and plans set forth in this Subsection.

C. The governing authorities of the systems, funds, and plans set forth in Subsection B of this Section shall not amend the respective retirement systems to provide a cost-of-living adjustment to any retiree, beneficiary, or survivor during any calendar year prior to the final adjournment of the regular session of the legislature and shall not do so during the same year within which the legislature has granted a cost-of-living adjustment, unless in the legislation granting a cost-of-living adjustment, the legislature specifically authorizes the governing bodies of the aforementioned systems to amend the respective retirement systems to provide an additional cost-of-living adjustment to a particular system, plan, or fund. The restrictions contained in this Subsection shall be inapplicable with respect to any system, fund, or plan relative to which the legislature has failed to grant a cost-of-living adjustment.

D. Disability retirees and surviving children or surviving spouses shall not be subject to the restrictions set forth in this Section.

E. Notwithstanding any other provision of law to the contrary, commencing at the end of the retirement system's 1985-1986 fiscal year, unless thereafter specifically provided for by the legislature, any public retirement or pension system, fund, or plan covered by this Section shall not provide a cost-of-living adjustment or permanent benefit increase during any fiscal year until the lapse of at least one-half of the fiscal year, and unless either the funds for such increase are provided as authorized from a credit balance in that system's funding deposit account or the actuary for the system and the legislative auditor certify that the funded ratio of the system, fund, or plan as of the end of the previous fiscal year equals or exceeds the target ratio as of that date for that system, fund, or plan. If the legislative auditor disagrees with the determination of the system's actuary, the matter shall be determined by majority vote of the Louisiana Public Retirement Systems' Actuarial Committee. For purposes of this Subsection, the funded ratio and target ratio are as defined below:

(1) The "funded ratio" as of any fiscal year end shall be the ratio of the actuarial value of assets to the actuarial accrued liability under the funding method prescribed by the office of the legislative auditor. The actuarial value of assets and actuarial accrued liability for a system shall be those amounts reported to the office of the legislative auditor in the Annual Report for Public Retirement Systems.

(2) The "target ratio" as of any fiscal year end shall be the lesser of (a) or (b) below:

(a) One hundred percent.

(b) The sum of (i), (ii), (iii), and (iv) below:

(i) The funded ratio as of the 1986 fiscal year end.

(ii) The number of fiscal years elapsed since the 1986 fiscal year end multiplied by one-thirtieth of the difference between one-hundred percent and the funded ratio of the system as of the 1986 fiscal year end.

(iii) The amount of each change in funded ratio due to mergers or changes in actuarial methods or assumptions occurring after the fiscal 1986 year end.

(iv) For each change in funded ratio due to mergers or changes in actuarial methods or assumptions occurring after the 1986 fiscal year end, an amount of opposite arithmetic sign from such change in funded ratio equal in absolute value to the number of fiscal years since the change in funded ratio multiplied by one-thirtieth of the original change in funded ratio due to the merger or change in actuarial methods or assumptions.

F. The power of the governing authority of a system listed in Subsection B of this Section to grant benefit increases pursuant to the provisions of this Section shall cease when the governing authority makes an

irrevocable election pursuant to R.S. 11:243(B)(1) to have future benefit increases for retirees, survivors, and beneficiaries governed by R.S. 11:243.

Added by Acts 1982, No. 774, §1, eff. July 1, 1982; Acts 1983, No. 674, §3; Acts 1986, No. 256, §1, eff. June 28, 1986; Redesignated from R.S. 42:711.1 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1999, No. 402, §1, eff. July 1, 1999; Acts 2007, No. 333, §1, eff. July 1, 2007; Acts 2012, No. 721, §1, eff. July 1, 2012; Acts 2013, No. 170, §1, eff. June 30, 2013.

§243. Cost-of-living adjustments; permanent benefit increases; restrictions; funding criteria

A. The provisions of this Section shall apply to the following retirement systems:

- (1) The Assessors' Retirement Fund.
- (2) The Clerks' of Court Retirement and Relief Fund.
- (3) The District Attorneys' Retirement System.
- (4) The Municipal Employees' Retirement System of Louisiana.
- (5) The Parochial Employees' Retirement System of Louisiana.
- (6) The Registrars of Voters Employees' Retirement System.
- (7) The Sheriffs' Pension and Relief Fund.
- (8) The Municipal Police Employees' Retirement System.
- (9) The Firefighters' Retirement System.

B.(1) On or before December 31, 2013, the governing authority of each of the retirement systems listed in Subsection A shall in a public meeting make an irrevocable election to have future benefit increases for retirees, survivors, and beneficiaries governed by R.S. 11:242 or this Section. In the event that the governing authority takes no action by the specified date, the provisions of this Section shall not apply and the benefit increases of that system shall continue to be subject to the provisions of R.S. 11:242.

(2) After the governing authority has made its election, the board of trustees shall inform the speaker of the House of Representatives, the president of the Senate, and the Louisiana State Law Institute of its election in writing.

C. The provisions of this Section do not repeal provisions relative to cost-of-living adjustments or permanent benefit increases contained within the individual laws governing the systems listed in Subsection A of this Section. However, the provisions of this Section are to be controlling in case of any conflict with the individual laws.

D. The power of the governing authority of a system covered by this Section to provide a cost-of-living adjustment or permanent benefit increase shall be effective in a particular calendar year only if the legislature fails to enact legislation granting a cost-of-living adjustment, unless in the legislation granting the cost-of-living adjustment, the legislature specifically authorized the governing authority to provide an additional cost-of-living adjustment to retirees, beneficiaries, or survivors of retired public employees of that system.

E. No governing authority to which this Section applies shall provide a cost-of-living adjustment or permanent benefit increase to any retiree, beneficiary, or survivor during any calendar year prior to the final adjournment of the regular session of the legislature and shall not do so during the same year within which the legislature has granted an increase, unless in the legislation granting the increase, the legislature specifically authorizes the governing body to provide an additional increase to retirees, beneficiaries, and survivors of that system. The restrictions contained in this Subsection shall be inapplicable with respect to any system for which the legislature has failed to grant an increase.

F. Disability retirees and surviving children or surviving spouses shall not be subject to the restrictions set forth in this Section.

G.(1) Notwithstanding any other provision of law to the contrary, no system covered by this Section shall provide a cost-of-living adjustment or permanent benefit increase during any fiscal year until the lapse of at least one-half of the fiscal year, and unless either the funds for such increase are provided as authorized from a credit balance in that system's funding deposit account or the actuary for the system and the legislative auditor certify that the funded ratio of the system meets the requirements of one or more of the Subparagraphs in Paragraph (3) of this Subsection. If the legislative auditor disagrees with the determination of the system's actuary, the matter shall be determined by majority vote of the Public Retirement Systems' Actuarial Committee.

(2) For purposes of this Subsection, a system's "funded ratio" as of any fiscal year end shall be the ratio of the actuarial value of assets to the actuarial accrued liability under the funding method prescribed by the office of the legislative auditor. The actuarial value of assets and actuarial accrued liability for a system shall be those amounts reported to the office of the legislative auditor in the Annual Report for Public Retirement Systems.

(3) The governing authority of a system covered by this Subsection may grant a benefit increase to retirees, survivors, and beneficiaries if any of the following apply:

(a) The system has a funded ratio of ninety percent or more and has not granted a benefit increase to retirees, survivors, and beneficiaries in the most recent fiscal year.

(b) The system has a funded ratio of eighty percent or more and has not granted a benefit increase to retirees, survivors, and beneficiaries in either of the two most recent fiscal years.

(c) The system has a funded ratio of seventy percent or more and has not granted a benefit increase to retirees, survivors, and beneficiaries in any of the three most recent fiscal years.

Acts 2013, No. 170, §1, eff. June 30, 2013.

§244. Repealed by Acts 1999, No. 402, §2, eff. July 1, 1999.

§245. Repealed by Acts 1999, No. 402, §2, eff. July 1, 1999.

§245. Repealed by Acts 1999, No. 402, §2, eff. July 1, 1999. §247. Automatic cost-of-living adjustments

A.(1) Upon application for retirement or participation in the Deferred Retirement Option Plan, any member of a state or statewide retirement system may elect to receive an actuarially reduced retirement allowance plus an annual two and one-half percent cost-of-living adjustment. Such an election shall be irrevocable after the effective date of retirement or after the beginning date of participation in the Deferred Retirement Option Plan. The retirement allowance together with the cost-of-living adjustment shall be

certified by the system actuary to be actuarially equivalent to the member's maximum or optional retirement allowance and shall be approved by the system's board of trustees.

(2) The annual cost-of-living adjustment of such retirees shall be based on the retirement allowance received pursuant to the retirement plan option selected by the member and the monthly benefit being paid pursuant thereto on the effective date of the increase, inclusive of cost-of-living adjustments paid pursuant to this Section, but exclusive of cost-of-living adjustments or permanent benefit increases paid pursuant to any other provision of law.

(3)(a) The annual cost-of-living adjustment of any Deferred Retirement Option Plan participant shall be credited to the participant's Deferred Retirement Option Plan subaccount during the participation period.

(b) Following participation in the Deferred Retirement Option Plan, the annual cost-of-living adjustment shall be applied to the monthly benefit allowance amount determined by the retirement plan option selected, inclusive of cost-of-living adjustments paid pursuant to this Section, but exclusive of cost-of-living adjustments or permanent benefit increases paid pursuant to any other provision of law. The monthly benefit allowance upon retirement shall reflect the annual benefit adjustments set forth in this Paragraph.

(c) Upon retirement of a Deferred Retirement Option Plan participant, the annual cost-of-living adjustment shall also be applied to any supplemental benefit earned after the participation period in accordance with applicable law.

(d) The provisions of this Section shall not apply to any participant in a Back-Deferred Retirement Option Plan or Program.

(4) If a retiree or Deferred Retirement Option Plan participant has chosen an optional retirement allowance wherein a spouse who has been designated as beneficiary will receive a continuing benefit upon the retiree's or Deferred Retirement Option Plan participant's death, the spouse's cost-of-living adjustment shall be payable based on the spouse's allowance on the effective date of the increase.

B. The annual cost-of-living adjustment authorized by Subsection A of this Section shall be effective annually on the retirement anniversary date of the retiree and shall be payable to any retiree who is age fifty-five or older and not before the retiree would have attained such age if his spouse is receiving the retirement allowance as his designated beneficiary.

C. Additional cost-of-living adjustments or permanent benefit increases granted by the system's board of trustees, as otherwise provided by law, shall be computed on the basis of the retiree's benefit amount on the date such cost-of-living adjustment or permanent benefit increase is granted. If an additional cost-of-living adjustment or permanent benefit increase is scheduled to be effective on the same day as the annual cost-of-living adjustment, the annual cost-of-living adjustment shall be calculated first.

D. Upon application for retirement or participation in the Deferred Retirement Option Plan and upon certifying that he is contemplating availing himself of the provisions of this Section, a member of a state or statewide retirement system may request that the system provide actuarial estimates of the benefits that such member would receive pursuant to Subsection A of this Section for the fifth, tenth, and fifteenth year following the member's anticipated retirement date. The system shall provide such actuarial estimates to the member upon request.

E. This Section shall not be applicable to recipients of disability retirement benefits pursuant to R.S. 11:461 et seq. All other persons receiving disability retirement benefits pursuant to the provisions of this Title shall be eligible to elect this retirement option upon conversion to a service retirement, if applicable, under the provisions of this Title for each state or statewide retirement system.

Acts 2009, No. 270, §1, eff. July 1, 2009; Acts 2010, No. 861, §4.

§248. Surviving spouses of police officers

A. Any local retirement or pension system, plan, or fund may grant a cost-of-living adjustment to any surviving spouse currently receiving death, surviving spouse, or widows' benefits based on the death of a spouse who was a police officer, provided that:

- (1) The death occurred while the officer was in the discharge of his duties, or resulted from immediate effects of an injury received while he was engaged in the discharge of his duties;
- (2) The death occurred on or before January 1, 1960; and
- (3) The surviving spouse is at least eighty years of age on July 1, 2006.

B. The increase granted pursuant to the provisions of this Section shall not be more than four hundred dollars per month.

Acts 2006, No. 649, §1, eff. July 1, 2006.

SUBPART H. PROFESSIONAL PERSONNEL

§251. Legal counsel, certified public accountants, professional investment personnel

Notwithstanding any other provisions of law to the contrary, the boards of trustees of the Louisiana State Employees' Retirement System, the Teachers' Retirement System of Louisiana, the Louisiana School Employees' Retirement System, the Municipal Police Employees' Retirement System, the Louisiana State Police Retirement System, the Parochial Employees' Retirement System of Louisiana, the Municipal Employees' Retirement System of Louisiana, the Firefighters Retirement System, the Assessors' Retirement Fund, the Clerks of Court Retirement and Relief Fund, the Registrars of Voters Employees' Retirement System, the Sheriffs' Pension and Relief Fund, and the District Attorneys' Retirement System are hereby authorized, jointly or otherwise, to at their option either employ or appoint at their own cost and expense legal counsel, certified public accountants, and professional investment personnel who shall be full-time in-house staff members of said systems, who may be members of the appropriate public retirement system, and who may participate in the state's group life, health, and hospitalization insurance program, or to retain legal counsel to represent said systems who shall not be a member of any of the above systems.

Acts 1991, No. 675, §1; Redesignated from R.S. 42:714 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1993, No. 758, §1, eff. June 22, 1993; Acts 2012, No. 227, §1.

SUBPART I. FIDUCIARY AND INVESTMENT RESPONSIBILITIES

§261. Purpose

The legislature recognizes that the fiscal integrity of various governments of and within this state and the financial security of employees and citizens of these various governments require that the public retirement or pension systems, funds, and plans maintained primarily for officers and employees of the governments be maintained on a sound actuarial basis. It is further recognized that the fiduciary responsibilities and the investment practices of these systems, funds, and plans are an integral part of such maintenance. It is also recognized that the legislative branch of state government bears a responsibility with respect to this maintenance. Accordingly, the purpose of this Subpart is to provide for

the governing of fiduciary responsibilities and investments by public retirement or pension systems, funds, and plans.

Added by Acts 1983, No. 456, §1. Acts 1984, No. 867, §1; Redesignated from R.S. 42:715 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1992, No. 1046, §1, eff. July 1, 1993.

§262. Applicability

The provisions of this Subpart are applicable to the following public retirement or pension systems, funds, and plans:

- (1) Assessors' Retirement Fund.
- (2) Clerks of Court Retirement and Relief Fund.
- (3) District Attorneys' Retirement System.
- (4) Firefighters' Retirement System.
- (5) Louisiana School Employees' Retirement System.
- (6) Louisiana State Employees' Retirement System.
- (7) Municipal Employees' Retirement System of Louisiana.
- (8) Municipal Police Employees' Retirement System.
- (9) Parochial Employees' Retirement System of Louisiana.
- (10) Registrars of Voters Employees' Retirement System.
- (11) Sheriffs' Pension and Relief Fund.
- (12) Louisiana State Police Retirement System.
- (13) Teachers' Retirement System of Louisiana.
- (14) Harbor Police Retirement System.

Acts 1984, No. 867, §1; Redesignated from R.S. 42:716 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 2003, No. 1255, §1, eff. July 7, 2003; Acts 2012, No. 227, §1.

§263. Prudent-man rule; investments; reporting

A. The prudent-man rule shall be applied by the systems, funds, and plans governed by this Subpart.

B. The prudent-man rule shall require each fiduciary of a retirement system and each board of trustees acting collectively on behalf of each system to act with the care, skill, prudence, and diligence under the circumstances prevailing that a prudent institutional investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

C. This standard requires the exercise of reasonable care, skill, and caution, and is to be applied to investments not in isolation, but in the context of the trust portfolio, and as part of an overall investment strategy, which shall include an asset allocation study and plan for implementation thereof, incorporating risk and return objectives reasonably suitable to that trust. The asset allocation study and implementation plan shall include the examination of market value risk, credit risk, interest rate risk, inflation risk, counterparty risk, and concentration risk. The investment policy of each system, plan, or fund shall preserve and enhance principal over the long term and provide adequate liquidity and cash flow for the payment of benefits. The investments shall be diversified to minimize the risk of significant losses unless it is clearly prudent not to do so.

D.(1) Notwithstanding the prudent-man rule, no governing authority of any system or fund governed by this Subpart shall invest more than fifty-five percent of the total portfolio in equities, except as provided in Paragraph (2) of this Subsection.

(2) The governing authority of any system may invest more than fifty-five percent of the total portfolio in equities, so long as not more than sixty-five percent of the total portfolio is invested in equities and at least ten percent of the total equity portfolio is invested in one or more index funds which seek to replicate the performance of the chosen index or indices.

(3) When contemplating any investment, action, or asset allocation the following factors shall be given weight:

(a) The availability of public pricing to value each investment.

(b) The ability to liquidate each investment at a fair market price within a reasonable time frame for the size of investment that is being considered.

(c) The degree of transparency that accompanies each investment.

(d) The risk of fluctuations in currency that may accompany each investment.

(e) The experience of the professionals who will manage each investment and the financial soundness of the business entity employing such professionals.

(f) The degree of diversification which exists within each investment and that such investment itself may provide relative to the other existing investments in the system's portfolio.

(g) Whether leverage is involved.

(h) The potential for unrelated business taxable income as defined in Section 512 of the Internal Revenue Code.

(i) The jurisdiction of the laws that govern each investment.

(j) The net return that is expected relative to the risk that is associated with each investment.

E. Repealed by Acts 2010, No. 1004, §2, eff. July 1, 2010.

F. Notwithstanding the prudent-man rule, a system board of trustees may but is not required to divest itself of any holding in a company having facilities or employees or both located in a prohibited nation as that term is defined in R.S. 11:312(B)(2).

G.(1) Each system, plan, or fund governed by this Subpart shall submit to the House and Senate committees on retirement and to each other state and statewide retirement system electronically transmitted quarterly reports beginning with the quarter ending June 30, 2010, which shall be submitted no later than thirty calendar days after the end of the quarter.

(2) Each report submitted pursuant to this Subsection shall contain, at a minimum, the following:

(a) The investment return net of investment fees and expenses expressed as a percentage return and dollar amount.

(b) The amount of administrative expenses.

(c) The board-approved target asset allocation.

(d) The current actual asset allocation of the system portfolio.

(3) Investment returns reported pursuant to this Subsection shall be by total fund and particular asset class over the quarter reported, fiscal year-to-date, one year, three year, five year, and ten year periods.

Acts 1984, No. 867, §1; Acts 1987, No. 49, §1; Acts 1989, No. 216, §1; Acts 1990, No. 214, §1; Redesignated from R.S. 42:717 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1992, No. 1046, §§1 and 2, eff. July 1, 1993; Acts 1997, No. 1301, §1, eff. June 30, 1997; Acts 2003, No. 788, §1, eff. July 1, 2003; Acts 2004, No. 850, §1, eff. July 12, 2004; Acts 2005, No. 9, §1, eff. May 27, 2005; Acts 2010, No. 1004, §§1, 2, eff. July 1, 2010.

NOTE: See Acts 2004, No. 850, §3, relative to phasing in of indexing and relative to deadline for compliance by La. Assessors' Retirement Fund.

§264. Fiduciary relationships

With respect to the systems, plans, and funds governed by this Subpart, each of the following persons shall be deemed to be in a fiduciary relationship with the respective funds:

(1) Any person who exercises any discretionary authority or discretionary control with respect to the management of system funds or assets.

(2) Any person who renders investment advice or services for compensation, direct or indirect, with respect to system funds or assets.

Acts 1989, No. 64, §1; Redesignated from R.S. 42:718 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 2005, No. 9, §1, eff. May 27, 2005.

§264.1. Liabilities; discretionary control

Legislators, state officials, system attorneys, accountants, and actuaries shall not be considered fiduciaries unless they exercise discretionary control over the management or administration of the system or some authority or control over system assets.

Acts 1992, No. 1046, §1, eff. July 1, 1993.

§264.2. Fiduciary restriction; felony conviction

Any person who has been convicted of a felony offense shall be restricted from serving as a system fiduciary for a period of five years after the conviction or after the end of imprisonment, whichever is later.

Acts 1992, No. 1046, §1, eff. July 1, 1993.

§264.3. Basic fiduciary duty

The basic duty of a fiduciary is to discharge his duties with respect to the system in the exclusive interest of the members and beneficiaries.

Acts 1992, No. 1046, §1, eff. July 1, 1993.

§264.4. Exclusive interest rule

A fiduciary must discharge his duties within the law solely in the interest of system members and beneficiaries for the exclusive purpose of providing benefits to participants and beneficiaries and paying the expenses of administering the plan.

Acts 1992, No. 1046, §1, eff. July 1, 1993; Acts 2005, No. 9, §1, eff. May 27, 2005.

§264.5. Breach of fiduciary duty

A. Any person who is a fiduciary with respect to a plan who breaches any of the responsibilities, obligations, or duties imposed upon fiduciaries by this Subpart shall be personally liable to make good to such plan any losses to the plan resulting from each such breach, and to restore to such plan any profits of such fiduciary which have been made through use of assets of the plan by the fiduciary, and shall be subject to such other equitable or remedial relief as the court may deem appropriate, including removal of such fiduciary.

B. No fiduciary shall be liable with respect to a breach of fiduciary duty under this Subpart if such breach was committed before he became a fiduciary or after he ceased to be a fiduciary.

C. It shall not be a breach of fiduciary duty for a board of trustees or any member of such a board to take action to divest the system of any holding in a company having facilities or employees or both located in a prohibited nation as that term is defined in R.S. 11:312(B)(2); however, nothing in this Subsection shall require a board to divest itself of any such holding.

Acts 1992, No. 1046, §1, eff. July 1, 1993; Acts 2005, No. 9, §1, eff. May 27, 2005.

§264.6. Cofiduciary liability

A. Any fiduciary who participates in a breach committed by a cofiduciary, or who tries to conceal a cofiduciary's breach, shall be held liable jointly for breach of fiduciary duty. Cofiduciary liability also results from a fiduciary's failure to use reasonable care to prevent a cofiduciary from committing a breach.

B. Any fiduciary who has knowledge of a cofiduciary's breach has a duty to remedy the breach.

Acts 1992, No. 1046, §1, eff. July 1, 1993.

§264.7. Remedies; jurisdiction; authority; attorney fees

A. A member, beneficiary, or survivor who can demonstrate a personal interest in a retirement system may bring a civil action to enforce the provisions of this Subpart. In any enforcement proceeding the plaintiff may seek and the court may grant any appropriate form of relief, including but not limited to the following:

- (1) A writ of mandamus.
- (2) Injunctive relief.
- (3) A declaratory judgment.
- (4) A judgment rendering certain actions of the board of trustees as void.
- (5) A judgment awarding civil damages.
- (6) A judgment requiring payment of the amounts in R.S. 11:269.

B. Exclusive original jurisdiction for proceedings under this Subpart shall be in the Nineteenth Judicial District Court of Louisiana. In any enforcement proceeding the court has jurisdiction and authority to issue all necessary orders to require compliance with, or to prevent noncompliance with, or to declare the rights of parties under the provisions of this Subpart. Any noncompliance with the orders of the court may be punished as contempt of court.

C. If a person who brings an enforcement proceeding prevails, he shall be awarded reasonable attorney fees and other costs of litigation. If such person prevails in part, the court may award him reasonable attorney fees or an appropriate portion thereof. If the court finds that the proceeding was of a frivolous nature and was brought with no substantial justification, it may award reasonable attorney fees to the prevailing party.

Acts 1992, No. 1046, §1, eff. July 1, 1993; Acts 2005, No. 9, §1, eff. May 27, 2005.

§264.8. System policy regarding breach of fiduciary duty

No retirement system may submit a proposed regulation, or approve any internal policy to relieve a fiduciary from responsibility for breach of fiduciary duty. However, a system may purchase insurance to cover liability or losses due to acts or omissions of fiduciaries. Any such insurance shall maintain the insurance company's right of subrogation. A fiduciary may purchase insurance to cover his own liability, without condition.

Acts 1992, No. 1046, §1, eff. July 1, 1993.

§265. Compensation of investment advisors

Each board of trustees of the various public retirement systems, plans, or funds is hereby authorized, in requesting proposals for investment advisory services, to require that fees shall be quoted as a fixed fee, a fee based on market value of assets, or a performance fee.

Acts 1990, No. 172, §1; Redesignated from R.S. 42:717.1 by Acts 1991, No. 74, §3, eff. June 25, 1991.

§266. Investment performance standards

A. The provisions of this Section shall be applicable to all Louisiana public retirement or pension systems, funds, and plans, and shall not apply to any investment manager or investment advisor who does not have an office for investment managers or investment advisors domiciled in the United States.

B. Investment performance reports submitted by any investment manager or investment advisor of any entity covered by Subsection A of this Section shall be in compliance with the current Performance Presentation Standards as amended and published by the Association for Investment Management and Research or any successor entity.

C.(1) Investment performance composite data submitted in response to a request for proposal or any other solicitation or selection process used by any system, fund, or plan covered by this Section for hiring an investment manager or investment advisor shall be in compliance with the current Performance Presentation Standards as amended and published by the Association for Investment Management and Research or any successor entity.

(2) Each such system, plan, or fund shall require, at least annually, the investment managers or investment advisors employed or otherwise retained by such system, plan, or fund to submit investment performance composite data, which contains such systems, plans, or funds portfolio that is subject to a Level I verification as defined in the Performance Presentation Standards as amended and published by the Association for Investment Management and Research or any successor entity.

D. The Investment Performance Standards required in Subsections B and C of this Section shall not be required for investments in limited partnerships, limited liability partnerships, private placements, and natural resource portfolios.

Acts 1995, No. 866, §1, eff. Dec. 31, 1995; Acts 2005, No. 9, §1, eff. May 27, 2005.

§266.1. Investment through Louisiana incorporated and domiciled broker-dealer

A. The provisions of this Section shall be applicable to every state public retirement or pension system, plan, or fund.

B. Each state public retirement or pension system, plan, or fund shall direct at least ten percent of the commissions on all trades of domestic equities in separately, actively managed portfolios and shall direct at least ten percent of all trades of domestic investment grade fixed income investments in separately managed accounts through broker-dealers selected on a best bid and offer basis who have been incorporated and domiciled in or who have had their principal trading operations in Louisiana for at least two years, who are registered and in good standing with the Financial Industry Regulatory Authority, and who have demonstrated the ability to execute institutional domestic equity and fixed income transactions. The broker-dealers defined in this Subsection shall negotiate commission recapture agreements with the systems. The commissions recaptured under any such agreement shall not be a majority of the total value of the commissions required to be directed to the broker-dealers pursuant to the provisions of this Section.

C. All trades shall be subject to best efforts and best executions as defined by the Securities and Exchange Commission and the Financial Industry Regulatory Authority.

D. The provisions of Subsections A, B, C, and D of this Section shall be implemented as a temporary pilot program and shall be null, void, and of no effect after June 30, 2010. An interim cost analysis of the provisions of this Section shall be performed by the systems and shall be presented to the speaker of the House of Representatives, the president of the Senate, the chairmen of the House of Representatives

and Senate committees on retirement, the Public Retirement Systems' Actuarial Committee, and the Commission on Public Retirement at least fourteen days before the convening of the regular legislative session in 2007, and again at least fourteen days before the convening of the regular legislative session in 2010.

E. Each system to which this Section applies shall submit to the House and Senate committees on retirement quarterly and annual progress reports detailing the system's investments which comport with the provisions of this Section. Such reports shall continue notwithstanding the June 30, 2010, expiration of Subsections A, B, C, and D of this Section and shall be submitted as follows:

- (1) An annual report for the year ending June 30, 2004, to be submitted on or before July 30, 2004.
- (2) Quarterly reports beginning with the quarter ending September 30, 2004, to be submitted no more than thirty days after the end of the quarter.
- (3) Annual reports beginning with the year ending June 30, 2005, to be submitted no more than thirty days after the end of the year.

Acts 2003, No. 788, §1, eff. July 1, 2003; Acts 2004, No. 851, §1, eff. July 12, 2004; Acts 2005, No. 427, §1, eff. July 11, 2005; Acts 2007, No. 367, §1, eff. July 1, 2007; Acts 2010, No. 7, §1, eff. May 19, 2010.

NOTE: See Acts 2003, No. 788, §2, relative to extension of pilot program.

§267. Repealed by Acts 2010, No. 1004, §2, eff. July 1, 2010.

§268. Repealed by Acts 2010, No. 1004, §2, eff. July 1, 2010.

§269. Disclosure; consultants; money managers

A.(1) Consultants and money managers shall provide full disclosure to the sponsor of each Louisiana public retirement or pension system, plan, or fund of conflicts of interest, including non-pension sponsor sources of revenue. Consultants also shall provide full disclosure of any payments they receive from money managers, in hard or soft dollars, for any services they provide, including but not limited to performance measurement, business consulting, and education.

(2) Each consultant and money manager shall submit a written disclosure report semiannually to each system beginning July 1, 2005. A report shall be submitted regardless of whether the consultant or money manager has any conflict or payment to report. Should a reportable agreement be contracted during any reporting period, the consultant or money manager shall notify the system of the agreement within seven business days.

B.(1) Any consultant or money manager found to be in violation of Subsection A of this Section shall pay to the system, plan, or fund an amount of money equal to the value of the revenue or payments he failed to disclose together with any damages caused by the failure to disclose. Additionally, if the failure to disclose is intentional, the consultant or money manager shall pay to the system an amount equal to three times the value of the revenue or payment he failed to disclose as a penalty, in addition to any damages actually caused by the failure to disclose.

(2) If the consultant or money manager provides services for more than one Louisiana public retirement or pension system, plan, or fund, the amounts in Paragraph (1) of this Subsection shall be paid to each such system to which he fails to make the required disclosure.

Acts 2004, No. 686, §1, eff. July 5, 2004; Acts 2005, No. 9, §1, eff. May 27, 2005.

SUBPART J. UNFUNDED ACCRUED LIABILITY

§271. Purpose; elimination of unfunded accrued liability

A. It is recognized that the legislative and executive branches of state government bear a responsibility with respect to the fiscal integrity of the state; that, in connection therewith, it is imperative that the public retirement systems of the state be maintained on a sound actuarial basis, and that such maintenance requires that the unfunded accrued liability of these systems be eliminated. The purpose of this Section is to provide for the furnishing of accurate actuarial data in order to facilitate the effective execution of this responsibility.

B. The provisions of this Section are applicable to the following public retirement systems:

- (1) Assessors' Retirement Fund.
- (2) Clerks of Court Retirement and Relief Fund.
- (3) District Attorneys' Retirement System.
- (4) Firefighters' Retirement System.
- (5) Louisiana School Employees' Retirement System.
- (6) Louisiana State Employees' Retirement System.
- (7) Municipal Employees' Retirement System of Louisiana.
- (8) Municipal Police Employees' Retirement System.
- (9) Parochial Employees' Retirement System of Louisiana.
- (10) Registrars of Voters Employees' Retirement System.
- (11) Sheriffs' Pension and Relief Fund.
- (12) Louisiana State Police Retirement System.
- (13) Teachers' Retirement System of Louisiana.

C.(1) On an annual fiscal year basis, at least ninety days prior to the convening of the legislature in regular session, using calculation methods and forms prescribed by the legislative auditor, the governing authority of each public retirement system referenced in Subsection B hereof shall submit to the legislative auditor the amount of funding, stated as a percentage of payroll, which is necessary to meet the system's normal cost and to amortize, at the valuation rate of interest, the system's unfunded accrued liability over a thirty-year period.

(2) The legislative auditor shall review, and, when necessary, revise, and submit same to the governor and the legislature, along with his certification of the correctness thereof, and a report detailing the financial and actuarial history of the system and his recommendations relative thereto.

Acts 1984, No. 307, §1; Redesignated from R.S. 42:719 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 2012, No. 227, §1.

§272. Early retirement eligibility

A. Notwithstanding any other provision of law to the contrary, the provisions of this Section shall be applicable to all members of the following public retirement systems:

- (1) Louisiana State Employees' Retirement System,
- (2) Louisiana State Police Retirement System,
- (3) Louisiana School Employees' Retirement System,
- (4) Teachers' Retirement System of Louisiana,
- (5) Assessors' Retirement Fund,
- (6) Clerks' of Court Retirement and Relief Fund,
- (7) District Attorneys' Retirement System,
- (8) Municipal Employees' Retirement System of Louisiana,
- (9) Municipal Police Employees' Retirement System,
- (10) Firefighters' Retirement System,
- (11) Parochial Employees' Retirement System of Louisiana,
- (12) Registrar of Voters Employees' Retirement System, and
- (13) Sheriffs' Pension and Relief Fund.

B. Any member who, on September 1, 1985, has earned sufficient service credit to be eligible for a normal retirement on or before August 31, 1995, but has not, on September 1, 1985, attained the normal retirement age, shall, during the ten year period from September 1, 1985, through August 31, 1995, be eligible for an early retirement, regardless of age, with benefits reduced to a level which would be actuarially equivalent to a retirement at the normal retirement age using the normal retirement formula.

C. The actuary for each of the systems specified in Subsection A of this Section shall develop reduction factors for use in computing the reduced benefit applicable to early retirement. However, in no event shall such benefit reduction be less than one percent for each calendar quarter by which the effective date of retirement is advanced before normal retirement eligibility.

D. Any member who, on January 1, 1982, had earned ten years of service credit, shall be eligible for an early retirement, regardless of age, with benefits reduced to a level which would be actuarially equivalent to a retirement at the normal retirement age using the normal retirement formula and subject to the provisions contained in Subsection C of this Section.

E. Notwithstanding any provision of law to the contrary, service credit originally earned on or before September 1, 1985, in a retirement system named in Subsection A of this Section shall be utilized to determine applicability of the provisions of Subsection B of this Section, even if the member received a refund of contributions for such service, provided that the member has repaid the refund prior to application for retirement.

Acts 1985, No. 154, §1, eff. July 6, 1985; Redesignated from R.S. 42:720 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1995, No. 132, §1; Acts 2012, No. 227, §1; Acts 2012, No. 479, §1, eff. Dec. 10, 2012.

SUBPART K. DELINQUENT CONTRIBUTIONS

§281. Failure to timely remit contributions; effect

A. Notwithstanding any other provisions of law to the contrary, the provisions of this Section shall be applicable to all members of the following public retirement systems:

- (1) Louisiana State Employees' Retirement System.
- (2) Louisiana School Employees' Retirement System.
- (3) Teachers' Retirement System of Louisiana.
- (4) Assessors' Retirement Fund.
- (5) Clerks' of Court Retirement and Relief Fund.
- (6) District Attorneys' Retirement System.
- (7) Firefighters' Retirement System.
- (8) Municipal Employees' Retirement System of Louisiana.
- (9) Municipal Police Employees' Retirement System.
- (10) Parochial Employees' Retirement System of Louisiana.
- (11) Registrars of Voters Employees' Retirement System.
- (12) Sheriffs' Pension and Relief Fund.

B.(1) Except as provided in Paragraph (2) of this Subsection, all payments of employers' contributions and employees' contributions, including any payments due from the state of Louisiana which are paid after becoming delinquent, shall include interest to be paid to the retirement system at the rate of legal interest computed from the date the payment became delinquent.

(2) For any employer who is unable to make the required contributions on a timely basis as a consequence of Hurricane Katrina or Rita, or both, no interest shall be assessed or payable on contributions which were due for August or September 2005, for the first two months of delinquency.

Acts 1988, No. 301, §1; Redesignated from R.S. 42:720.30 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1993, No. 758, §1, eff. June 22, 1993; Acts 2005, 1st Ex. Sess., No. 44, §1, eff. Dec. 6, 2005.

NOTE: See Acts 2005, 1st Ex. Sess., No. 44, §2, relative to retroactive application.

SUBPART L. APPLICABILITY OF CERTAIN

LEGAL DETERMINATIONS

§291. Community property interest

A. Notwithstanding any other provision of law to the contrary, any benefit or a return of employee contributions shall be subject to a temporary restraining order or injunction issued by a court in connection with an action which would result in a termination of the community property regime or partition of community assets and liabilities after such termination, which order or injunction involves a member or retiree of a state or statewide retirement system and his/her spouse or former spouse, and provides that community assets not be disbursed, disposed of, alienated, or otherwise incumbered, but only after a certified copy of such order or judgment is received by the retirement system.

B. Notwithstanding any other provision of law to the contrary, any benefit or a return of employee contributions shall be subject to a court order issued by a court upon or after termination of a community property regime, which order recognizes the community interest of a spouse or former spouse of a member or retiree of the retirement system and provides that a benefit or a return of employee contributions be divided by the retirement system with the spouse or former spouse, but only after a certified copy of such order has been received by the retirement system and has been determined by the retirement system to be in compliance with applicable laws, rules, and regulations governing the retirement system.

C. Repealed by Acts 1995, No. 592, §2, eff. July 1, 1995.

D. In connection with Subsection B of this Section, each state or statewide retirement system may promulgate rules establishing requirements with which a court order must comply.

E. In those instances in which no certified copy of an injunction, temporary restraining order, or court order for division of a benefit or a return of employee contributions has been received and/or approved as required by this Section, a state or statewide retirement system shall pay the entire amount of any benefit or return of employee contributions to the member, retiree, designated beneficiary, survivor benefit recipient, or the estate of a deceased member and payment so made shall constitute a release of all accrued rights of every kind and nature against the retirement system, including but not limited to community property rights of a spouse or former spouse and any rights of an heir or legatee of such spouse or former spouse.

F. In those instances in which the spouse or former spouse with whom a retirement system is to divide a benefit or a return of employee contributions under the provisions of this Section dies, the retirement system shall pay the entire amount of the benefit or return of employee contributions to the member, retiree, designated beneficiary, survivor benefit recipient, or the estate of a deceased member and payment so made shall constitute a release of all accrued rights of every kind and nature against the retirement system including but not limited to any rights of an heir or legatee of the spouse or former spouse.

G. A state or statewide retirement system shall not pay any funds to any persons until such funds normally become payable as provided by the laws governing the retirement system.

Acts 1989, No. 67, §1; Redesignated from R.S. 42:720.40 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1993, No. 723, §1, eff. July 1, 1993; Acts 1995, No. 592, §§1, 2, eff. July 1, 1995; Acts 2012, No. 479, §1, eff. Dec. 10, 2012.

§292. Seizure for child support; garnishment or seizure related to felony convictions

A. Notwithstanding any other provision of law to the contrary, any retirement allowance, benefit, or refund of accumulated contributions paid to any member, former member, or retiree under the provisions of any public retirement system, or the portion of a retirement allowance, benefit, or refund of accumulated contributions paid to a spouse or former spouse under the provisions of R.S. 11:291, shall be subject to garnishment or court-ordered assignment to pay child support.

B.(1) Notwithstanding any other provision of law to the contrary, any pension, retirement allowance, or benefit, or any refund of accumulated contributions payable to any member, former member, or retiree under the provisions of any public pension or retirement system, plan, or fund shall be subject to garnishment under a writ of fieri facias to pay any court-ordered restitution or fine, or any costs of incarceration, probation, or parole, imposed on such member, former member, or retiree as a result of a conviction of or a plea of guilty or nolo contendere to the commission of a felony for misconduct associated with such person's service as an elected official or public employee for which credit in the system, plan, or fund was earned or accrued, the commission of which felony occurred on or after July 1, 2010.

(2) Notwithstanding any other provision of law to the contrary, a garnishment authorized pursuant to this Subsection shall not impinge on the community property interest of a spouse or former spouse not subject to the garnishment.

(3) Notwithstanding any other provision of law to the contrary, a garnishment authorized pursuant to this Subsection may be continuing in nature as necessary to pay the court-ordered restitution or fine in full.

Acts 1986, No. 767, §9; Redesignated from R.S. 42:720.21 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 2004, No. 706, §1, eff. July 6, 2004; Acts 2010, No. 634, §1, eff. July 1, 2010.

§293. Forfeiture of retirement benefits; public corruption crimes

A. As used in this Section, the following words or phrases shall have the following meanings:

(1) "Conviction" or "convicted" means a criminal conviction, guilty plea, or plea of nolo contendere that is final, and all appellate review of the original trial court proceedings is exhausted.

(2) "Public corruption crime" means a state or federal felony committed on or after January 1, 2013, in which the sentencing judge finds the public servant acted willfully and in the course and scope of his official capacity and the evidence establishes either of the following:

(a) The public servant realized or attempted to realize a financial profit or a financial gain for himself or for a third party.

(b) The public servant committed any criminal sexual act with or upon the person of a minor, and there was a direct association between the public servant and the minor related to the public servant's employment.

(3) "Public retirement system" means any state, statewide, or any local public retirement system, plan, or fund.

(4) "Public servant" means a public employee or an elected official as defined in R.S. 42:1102 who is a member, former member, deferred retirement option plan participant, or retiree under the provisions of any public retirement system and who meets any of the following criteria:

(a) His first employment making him eligible for membership in a public retirement system began on or after January 1, 2013.

(b) He was employed in a position making him eligible for membership in a public retirement system prior to January 1, 2013, but he terminated his service prior to that date and is reemployed in such a position on or after that date.

(c) He assumes an elective office on or after January 1, 2013, and by virtue of that service or previous public service he is eligible for membership in a public retirement system.

B.(1) Following the conviction of a public corruption crime, the sentencing court shall determine if the conviction warrants forfeiture as provided in this Subsection or garnishment as provided in R.S. 11:292. In order to determine the appropriate remedy the sentencing court shall review the following factors:

(a) The nature of the offense.

(b) The prior service of the public servant and the appropriateness of any mitigating factors.

(2)(a) If the court determines that forfeiture is appropriate, the court may order the forfeiture of the public servant's right to receive any benefit or payment of any kind under this Title except a return of the amount contributed by the public servant to the retirement system without interest, subject to Subparagraph (b) of this Paragraph.

(b) If the court orders the public servant to make restitution to the state or any political subdivision of the state for monetary loss incurred as a result of the public corruption crime for which he is convicted, the court may order restitution to be paid from the amount contributed by the public servant to the retirement system.

(c) Subject to the requirements of Paragraph (3) of this Subsection, the court may award to the member's spouse, dependent, or former spouse, as an alternate payee, some or all of the amount that, but for the order of forfeiture under Subparagraph (a) of this Paragraph, may otherwise be payable. Upon order of the court, the retirement system shall provide information concerning the member's membership that the court considers relevant to the determination of the amount of an award under this Subparagraph. The system shall also calculate the spousal share of the public servant's benefit for the sentencing court in accordance with existing community property law. Any dependent's share shall be calculated in the same manner as a spousal share. In determining the award, the court shall consider the totality of the circumstances, including but not limited to:

(i) The role, if any, of the member's spouse, dependent, or former spouse in connection with the crime.

(ii) The degree of knowledge, if any, possessed by the member's spouse, dependent, or former spouse in connection with the crime.

(3) An award ordered under Subparagraph (2)(c) of this Subsection may not require the retirement system to:

(a) Provide a type or form of benefit or an option not otherwise provided by the retirement system.

(b) Provide increased benefits determined on the basis of actuarial value.

(c) Take an action contrary to the system's governing laws or plan provisions other than the direct payment of the benefit awarded to the spouse, dependent, or former spouse.

(4) All of the convicted public servant's service credit attributable to employer contributions and interest on those contributions that are not otherwise assigned pursuant to Subparagraph (2)(c) of this Subsection shall be forfeited, and any dollar amount of such employer contributions and interest, together with any funds in the individual's deferred retirement option plan account, shall be applied to reducing the balance of the unfunded accrued liability of the system in a manner determined by the system's board of trustees. If the system has no unfunded accrued liability, the employer contributions and interest shall revert to the system's trust.

C. Notwithstanding the provisions of Subsection B of this Section, survivor benefits being received by the surviving unmarried spouse, the surviving minor child, or the surviving physically or mentally handicapped child who is entitled to a survivor benefit of a deceased public servant convicted of a public corruption crime shall be based solely on the amount of the public servant's benefit forfeited to the retirement system and shall not be based on any amount remitted to the public servant.

D. No provision of this Section shall impinge on any judicially recognized community property interest of a current or former spouse.

E. Each public retirement system shall create an attestation form explaining the provisions of this Section and shall provide such attestation form to each employing agency. Each employing agency shall provide every public servant with such attestation form and such public servant shall be required to sign the form indicating that he has read it and understands the contents thereof.

F.(1) A parish prosecutor shall inform the secretary of the Department of Public Safety and Corrections in writing when a conviction for a state public corruption crime is entered against a person who the prosecutor knows, or has reason to believe, is a member of a public retirement system and who is subject to the provisions of this Section. The secretary shall compile such information and transmit it to the appropriate public retirement system.

(2) The secretary of state, upon being notified by a United States attorney of a felony conviction for a federal public corruption crime, whether or not such conviction qualifies as a conviction as defined by this Section, shall promptly transmit to each public retirement system information pertaining to such conviction.

G. The provisions of this Section shall apply only to benefits earned on or after January 1, 2013.

Acts 2012, No. 479, §1, eff. Dec. 10, 2012.

SUBPART M. COMMISSION ON PUBLIC RETIREMENT

§301. Repealed by Acts 2011, No. 207, §1.

§302. Repealed by Acts 2011, No. 207, §1.

§303. Repealed by Acts 2011, No. 207, §1.

§304. Repealed by Acts 2011, No. 207, §1.

§305. Repealed by Acts 2011, No. 207, §1.

§306. Repealed by Acts 2011, No. 207, §1.

§307. Repealed by Acts 2011, No. 207, §1.

§308. Repealed by Acts 2011, No. 207, §1.

§309. Repealed by Acts 2011, No. 207, §1.

SUBPART N. INVESTMENTS IN PROHIBITED NATIONS

§311. Purpose

The purpose of this Subpart is to assure the members and retirees of the state and statewide retirement systems, the state and her political subdivisions as employers, and the taxpayers of Louisiana that the monies held in trust for the benefit of public employees are not used directly or indirectly to support terrorist activities.

Acts 2005, No. 9, §1, eff. May 27, 2005.

§312. Application, definitions

A. The provisions of this Subpart shall apply to the following public retirement or pension systems, plans, or funds:

- (1) Assessors' Retirement Fund.
- (2) Clerks' of Court Retirement and Relief Fund.
- (3) District Attorneys' Retirement System.
- (4) Firefighters' Retirement System.
- (5) Louisiana School Employees' Retirement System.
- (6) Louisiana State Employees' Retirement System.
- (7) Municipal Police Employees' Retirement System.
- (8) Municipal Employees' Retirement System of Louisiana.
- (9) Parochial Employees' Retirement System of Louisiana.
- (10) Registrars of Voters Employees' Retirement System.
- (11) Sheriffs' Pension and Relief Fund.
- (12) Louisiana State Police Retirement System.
- (13) Teachers' Retirement System of Louisiana.

B. As used in this Subpart, the following terms shall have the following meanings, unless a different meaning is clearly required by context:

(1) "Company" means any foreign domiciled or based entity, real or juridical, which is not a subsidiary of nor owned in whole or in part by any domestic company, and which is engaged in an enterprise for financial gain.

(2) "Prohibited nation" means Iran, North Korea, Sudan, or Syria.

C.(1) Each system or fund to which this Subpart applies shall provide semiannual written reports to the House of Representatives and Senate committees on retirement regarding any investments of that system in any company having facilities or employees or both located in a prohibited nation. The report shall include the name of each such company, the asset allocation class and sector to which it belongs pursuant to the board's asset allocation policy, and the amount of system funds invested therein.

(2) The first report shall be due October 31, 2005, and shall contain information for the six-month period ending September 15, 2005. The second report shall be due August 15, 2006, and shall contain information for the period from September 16, 2005 through June 30, 2006. Beginning February 15, 2007, and thereafter, reports shall be due by the fifteenth day of February, containing information for the six-month period ending December thirty-first, and by the fifteenth of August, containing information for the six-month period ending June thirtieth in each calendar year.

(3) Each system's money managers shall be responsible for supplying to the system all information necessary to complete the reports in a timely manner as required by this Subsection.

D. Each system shall adopt rules necessary to implement the provisions of this Subpart, including the provisions of Paragraph (C)(3) of this Section.

Acts 2005, No. 9, §1, eff. May 27, 2005; Acts 2007, No. 352, §1; Acts 2012, No. 227, §1.

§313. Prudent-man rule; investments

Notwithstanding the prudent-man rule, a system board of trustees may but is not required to divest itself of any holding in a company having facilities or employees, or both, located in a prohibited nation as that term is defined in R.S. 11:312(B)(2).

Acts 2007, No. 352, §1.

§314. Constructive engagement; direct ownership of securities

A. Each system, plan, or fund, referred to in this Section as "system", to which this Subpart applies shall adopt and implement a corporate governance strategy of constructive engagement of each company, in which the system has a direct ownership of securities, having facilities or employees or both located in a prohibited nation. Such corporate governance strategy of constructive engagement shall contain a plan of system action to cause any such company to remove facilities, employees, or both from any prohibited nation. Such plan of system action shall be implemented by not later than one hundred twenty days after August 15, 2007. The system shall continue to implement such plan of system action with respect to a particular company for the period of time that the system continues to possess an ownership interest in the company. As part of each system's corporate governance strategy of constructive engagement, the system shall make its best efforts to identify all such companies. Such efforts shall include all of the following:

(1) Reviewing and analyzing publicly available information regarding companies having facilities or employees or both located in a prohibited nation, including information provided by but not limited to nonprofit organizations, research firms, international organizations, and government entities.

(2) Contacting and obtaining information from asset managers contracted by the systems who invest on behalf of the system in companies having facilities or employees or both located in a prohibited nation.

(3) Contacting and obtaining information from other institutional investors, including other public pension systems, that have divested themselves of investments in companies having facilities or employees or both located in a prohibited nation.

B. Such corporate governance strategy of each system to which this Section applies shall require the system to form strategic shareholder alliances, whether formal or informal, with other public pension systems that have a common ownership interest with the system in any company having facilities or employees or both in a prohibited nation for the purpose of effecting change in the company's policy so as to cause the company to remove its facilities, employees, or both from any prohibited nation. In pursuing such shareholder alliances, the following provisions shall apply:

(1) The systems to which this Section applies shall semiannually provide to each other a list of companies in which the system invests that have facilities or employees or both located in a prohibited nation. If any systems to which this Subpart applies possess common ownership interests in such companies, those systems shall form a strategic shareholder alliance, whether formal or informal, for the purpose of influencing such companies to cease having facilities or employees or both located in a prohibited nation.

(2) Each system to which this Section applies shall, separately or jointly with another system that is a member of a strategic shareholder alliance under this Section, submit semiannually, to each such company having facilities or employees or both located in a prohibited nation, a notice that provides for all of the following:

(a) Informs such company of the requirements of this Subpart and of the company's status as having facilities or employees or both located in a prohibited nation.

(b) Requests that such company refrain from continuing to have facilities or employees or both located in a prohibited nation.

(c) Details the nature of any strategic shareholder alliance of which the system is a member pursuant to this Section, which notice shall include a list of systems, whether this Subpart applies to those systems or not, making up such alliance.

(d) Details the percentage of shares that each member of the strategic shareholder alliance possesses.

(e) Informs such company that it may become subject to divestment by the systems in the shareholder alliance if such company continues having facilities or employees or both located in a prohibited nation.

C. Each system to which this Section applies shall adopt rules necessary to implement the provisions of this Section.

D. Each system to which this Section applies shall report compliance with this Section to the House of Representatives and Senate committees on retirement as part of the report submitted pursuant to R.S. 11:312(C).

Acts 2007, No. 352, §1.

§315. Constructive engagement; securities held in a collective fund

A. Each system, plan, or fund, referred to in this Section as "system", to which this Subpart applies shall adopt and implement a corporate governance strategy of constructive engagement of any collective fund investment manager or advisor, requesting such manager or advisor to constructively engage each company having facilities or employees or both located in a prohibited nation in which the system possesses an indirect ownership interest through investment in any such collective fund, excluding private equities and hedge funds. Such corporate governance strategy of constructive engagement shall contain a plan of system action to cause any such collective fund to in turn cause any such company to remove facilities, employees, or both from any prohibited nation. Such plan of system action shall be implemented by not later than one hundred twenty days after August 15, 2007. The system shall continue to implement such plan of system action with respect to a particular collective fund for the period of time that the system continues to possess an indirect ownership interest in the company through the collective fund investment. As part of each system's corporate governance strategy of constructive engagement, the system shall make its best efforts to identify all such companies. Such efforts shall include:

- (1) Reviewing and analyzing publicly available information regarding companies having facilities or employees or both located in a prohibited nation, including information provided by but not limited to nonprofit organizations, research firms, international organizations, and government entities.
- (2) Contacting and obtaining information from asset managers contracted by the systems who invest on behalf of the system in companies having facilities or employees or both located in a prohibited nation.
- (3) Contacting and obtaining information from other institutional investors, including other public pension systems, that have divested themselves of investments in companies having facilities or employees or both located in a prohibited nation.

B. Such corporate governance strategy of each system to which this Section applies shall require the system to form strategic alliances, whether formal or informal, with other public pension systems that have a common ownership interest with the system in any company having facilities or employees or both in a prohibited nation through participation in the same collective fund, excluding private equities or hedge funds, for the purpose of effecting change in the company's policy so as to cause the company to remove its facilities, employees, or both from any prohibited nation. In pursuing such alliances, the following provisions shall apply:

- (1) The systems to which this Section applies shall semiannually provide to each other a list of companies that have facilities or employees or both located in a prohibited nation in which the system invests through participation in the same collective fund, excluding private equities or hedge funds. If any systems to which this Subpart applies possess such common ownership interests in such companies, those systems shall form a strategic alliance, whether formal or informal, for the purpose of influencing such companies to cease having facilities or employees or both located in a prohibited nation.
- (2) Each system to which this Section applies shall, separately or jointly with another system that is a member of a strategic alliance under this Section, submit semiannually to the investment manager or advisor of any collective fund, requesting any such collective fund manager or advisor to submit to each such company having facilities or employees or both located in a prohibited nation, a notice that provides for all of the following:
 - (a) Informs such company of the requirements of this Subpart and of the company's status as having facilities or employees or both located in a prohibited nation.
 - (b) Requests that such company refrain from continuing to have facilities or employees or both located in a prohibited nation.

(c) Details the nature of any strategic alliance of which the system is a member pursuant to this Section, which notice shall include a list of systems, whether this Subpart applies to those systems or not, making up such alliance.

(d) Details the percentage of shares that each member of the strategic alliance possesses.

(e) Informs such company that it may become subject to divestment by the systems in the strategic alliance if such company continues having facilities or employees or both located in a prohibited nation.

C. Each system to which this Section applies shall adopt rules necessary to implement the provisions of this Section.

D. Each system to which this Section applies shall report compliance with this Section to the House of Representatives and Senate committees on retirement as part of the report submitted pursuant to R.S. 11:312(C).

Acts 2007, No. 352, §1; Acts 2008, No. 220, §4, eff. June 14, 2008.

§316. Terror-free index fund

A. As used in this Section, the following terms shall have the following meaning unless a different meaning is clearly required by the context:

(1) "Screened equities" means stocks or other ownership interest in a company identified as having facilities or employees or both located in a prohibited nation, which equities are excluded from the terror-free index fund.

(2) "Terror-free equities" means equities in companies not identified as having facilities or employees or both located in a prohibited nation.

(3) "Terror-free index fund" means an international index fund which identifies equities in companies having facilities or employees or both located in a prohibited nation and excludes them from the fund.

B. Each system or fund to which this Subpart applies that has an investment strategy which includes allocation to international markets shall, within sixty days after August 15, 2007, communicate with investment managers with international investment experience for the establishment of an international terror-free index fund which identifies and excludes from the fund companies having facilities or employees or both in a prohibited nation. The communication shall stipulate that, as part of managing such fund, the manager will replace the screened equities with comparable equities or will adjust the weighting of remaining equities held in a system's portfolio. Each system having an investment strategy which includes allocation to international markets shall, within one hundred eighty days after August 15, 2007, allocate a portion of its international investments to such terror-free index.

C. If a system having an investment strategy which includes allocation to international markets does not possess sufficient assets to meet the minimum investment required by the manager to create a terror-free index fund on the system's behalf alone, such system shall join an existing terror-free index fund established pursuant to this Section, or shall join with another system to meet such minimum investment requirements for the purpose of establishing a terror-free index fund common to those systems.

D. Each system shall adopt rules necessary to implement the provisions of this Section.

E. Each system shall report compliance with this Section to the House of Representatives and Senate committees on retirement as part of the report submitted pursuant to R.S. 11:312(C).

F. Nothing in this Section shall require a system to invest in international markets or to utilize collective funds or index funds for such purpose unless otherwise part of the investment strategy adopted by the system. If a system invests in international markets and utilizes collective funds or index funds for such purpose, this Section shall apply.

Acts 2007, No. 352, §1; Acts 2008, No. 220, §4, eff. June 14, 2008.

SUBPART O. DISASTER RELIEF

§321. Withdrawal of funds from Deferred Retirement Option Plan accounts by active employees; Hurricane Katrina

A. For purposes of this Section, "retirement system" shall mean any public retirement system in the state.

B. Notwithstanding any other provision of law to the contrary, an individual who is participating or who has participated in the Deferred Retirement Option Plan (DROP) or comparable plan of his retirement system and who is still employed in a position covered by that system shall be allowed to withdraw up to one hundred thousand dollars of all or part of the funds in his DROP account under the provisions of this Section.

C. Such an individual may withdraw funds from his DROP account provided all of the following requirements are met:

(1) On August 28, 2005, the individual was domiciled in a parish which has been designated under the Robert T. Stafford Disaster Relief and Emergency Assistance Act as eligible for individual assistance or individual assistance and public assistance.

(2) The individual sustained an economic loss by reason of Hurricane Katrina.

(3) The aggregate amount of such distributions from the account does not exceed one hundred thousand dollars.

(4) Any distribution is made on or after August 25, 2005, and on or before December 31, 2006.

D.(1) If, pursuant to this Section, an individual receives a qualified Hurricane Katrina distribution, the amount of such distribution shall be included in income by the retirement system, generally ratable over the year of the distribution and the following two years in accordance with the Katrina Emergency Tax Relief Act of 2005, referred to in this Section as the "Act", unless the individual elects in writing not to have the ratable distribution apply for any taxable year.

(2) The individual shall be responsible for filing an amended return or returns to claim a refund of the tax attributable to the amount previously included in income if the individual so qualifies under the Act.

(3) Each retirement system shall advise each individual receiving a Hurricane Katrina distribution pursuant to this Section of potential state and federal tax consequences.

E. Each retirement system shall promulgate any rules necessary to implement the provisions of this Section.

F. The provisions of this Section shall supersede any provision of law to the contrary, including but not limited to R.S. 11:449(C), 450(B), 789(B), 1152(H), 1312(J), 1456(I)(2), 1530(J)(2), 1642(B), 1763(J), 1938(J)(2), 2144(I), 2221(J)(1), 2257(J)(2), 3005.1(J)(1)(c), 3039.1(J)(2), 3200(12), 3232(K), 3294(G), 3385.1(K)(2), 3551, and 3685(B)(10)(b).

Acts 2005, 1st Ex. Sess., No. 50, §1, eff. Dec. 6, 2005.

§322. Withdrawal of funds from Deferred Retirement Option Plan accounts by active employees; Hurricane Rita

A. For purposes of this Section, "retirement system" shall mean any public retirement system in the state.

B. Notwithstanding any other provision of law to the contrary, an individual who is participating or who has participated in the Deferred Retirement Option Plan (DROP) or comparable plan of his retirement system and who is still employed in a position covered by that system shall be allowed to withdraw up to one hundred thousand dollars of all or part of the funds in his DROP account under the provisions of this Section.

C. Such an individual may withdraw funds from his DROP account provided all of the following requirements are met:

(1) On September 22, 2005, the individual was domiciled in a parish which has been designated under the Robert T. Stafford Disaster Relief and Emergency Assistance Act as eligible for individual assistance or individual assistance and public assistance.

(2) The individual sustained an economic loss by reason of Hurricane Rita.

(3) The aggregate amount of such distributions from the account does not exceed one hundred thousand dollars.

(4) Any distribution is made on or after September 19, 2005, and on or before December 31, 2006.

D.(1) If, pursuant to this Section, an individual receives a qualified Hurricane Rita distribution, the amount of such distribution shall be included in income by the retirement system, generally ratable over the year of the distribution and the following two years, unless the individual elects in writing not to have the ratable distribution apply for any taxable year.

(2) The individual shall be responsible for filing an amended return or returns to claim a refund of the tax attributable to the amount previously included in income if the individual so qualifies.

(3) Each retirement system shall advise each individual receiving a Hurricane Rita distribution pursuant to this Section of potential state and federal tax consequences.

E. Each retirement system shall promulgate any rules necessary to implement the provisions of this Section.

F. The provisions of this Section shall supersede any provision of law to the contrary, including but not limited to R.S. 11:449(C), 450(B), 789(B), 1152(H), 1312(J), 1456(I)(2), 1530(J)(2), 1642(B), 1763(J), 1938(J)(2), 2144(I), 2221(J)(1), 2257(J)(2), 3005.1(J)(1)(c), 3039.1(J)(2), 3200(12), 3232(K), 3294(G), 3385.1(K)(2), 3551, and 3685(B)(10)(b).

Acts 2005, 1st Ex. Sess., No. 61, §1, eff. Dec. 6, 2005.

§323. Deferred Retirement Option Plan participation; members terminated due to hurricanes

A. The provisions of this Section shall apply to the following state and statewide retirement systems:

- (1) The Louisiana School Employees' Retirement System, and
- (2) The Teachers' Retirement System of Louisiana, and
- (3) The Louisiana State Employees' Retirement System, and
- (4) The Assessors' Retirement Fund, and
- (5) The Clerks' of Court Retirement and Relief Fund, and
- (6) The District Attorneys' Retirement System, and
- (7) The Municipal Employees' Retirement System of Louisiana, and
- (8) The Parochial Employees' Retirement System of Louisiana, and
- (9) The Registrars of Voters Employees' Retirement System, and
- (10) The Municipal Police Employees' Retirement System, and
- (11) The Firefighters' Retirement System.

B. Notwithstanding any provision of law to the contrary, any employee who is a member of a retirement system to which this Section applies, who has not retired, whose participation in the Deferred Retirement Option Plan of that system was interrupted or ceased upon his being terminated due to a reduction-in-force necessitated by Hurricane Katrina or Hurricane Rita or both, shall have the time period applicable to his plan participation adjusted upon his reemployment and resumption of membership in the retirement system to which he belonged before being terminated. The time period applicable to his plan participation shall be calculated as provided in this Section. However, in no case shall this Section be applicable to anyone who becomes reemployed more than one year after being furloughed or terminated, whichever occurs first, or to anyone reemployed on or after December 31, 2006.

C. Any person to whom this Section applies who began participation on or before September 24, 2005, but who had not completed his specified participation period shall reenter the plan upon reemployment and his participation period shall resume. The total duration of the person's participation in the plan before termination and after reentry shall not exceed the plan participation period he specified upon initial entry into the plan. Any interest credited to the person's plan account during the period between furlough or termination and reemployment shall be forfeited.

D. The provisions of this Section shall supersede any provision of law to the contrary, including but not limited to R.S. 11:447(C), 786(B), 1152(C), 1456(C) and (D), 1530(C) and (D), 1639(B), 1763(C) and (D), 1938(C) and (D), 2144(C) and (D), 2221(C) and (D), and 2257(C) and (D), to the extent there is any conflict.

Acts 2006, 1st Ex. Sess., No. 17, §1, eff. Feb. 23, 2006; Acts 2006, No. 678, §1, eff. June 29, 2006.