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## Frequently Asked Questions

## Flowchart: The Retirement Process

## Preparing For Retirement

LASERS offers five types of retirement from which members can choose:

- ❖ Regular Retirement
- ❖ Regular Retirement with an Actuarially Reduced Benefit
- ❖ Initial Benefit Option (IBO)
- ❖ Deferred Retirement Option Plan (DROP)
- ❖ Disability Retirement

Retirement is an important decision. LASERS recommends that members begin to prepare for retirement as early as a year and a half prior to their retirement date. Below is a timeline of events for employers to use as a guideline in helping members with retirement preparation.

12 to 18 Months Prior to Retirement	6 Months Prior to Retirement
<ul style="list-style-type: none"> <li>✓ Finalize any purchases, transfers of service, or administrative errors                             <ul style="list-style-type: none"> <li>❖ Refer to <a href="#">Chapter 5: Purchases, Transfers &amp; Reciprocals</a></li> </ul> </li> <li>✓ Attend a Pre-Retirement Education (PREP) Workshop</li> <li>✓ Schedule a counseling session with a LASERS representative</li> <li>✓ Request an estimate of benefits</li> <li>✓ Review the <a href="#">Retirement Readiness Planner</a> (located on the LASERS Website)</li> </ul>	<ul style="list-style-type: none"> <li>✓ File a retirement application with Human Resources                             <ul style="list-style-type: none"> <li>❖ Regular Retirement and Regular Retirement with an Actuarially Reduced Benefit</li> <li>❖ Initial Benefit Option (IBO)</li> <li>❖ Deferred Retirement Option Plan (DROP)</li> <li>❖ End of DROP Certification</li> <li>❖ Disability Retirement</li> </ul> </li> <li>✓ Submit additional forms                             <ul style="list-style-type: none"> <li>❖ Refer to list of forms in appropriate retirement chapter</li> </ul> </li> <li>✓ Submit supporting documents                             <ul style="list-style-type: none"> <li>❖ Copy of birth certificate</li> <li>❖ Copy of Social Security card</li> <li>❖ Copy of beneficiary(ies) birth certificate</li> <li>❖ Copy of beneficiary(ies) Social Security card</li> <li>❖ Certified copy of any legal documents, if applicable</li> </ul> </li> </ul>

LASERS provides many helpful resources to members approaching retirement. They are encouraged to use these resources to help them make informed decisions about their retirement plans.

## PRE-RETIREMENT EDUCATION PROGRAM (PREP)

The LASERS Pre-Retirement Education Program, or PREP, gives members the opportunity to learn about retirement at any point in their career. It is offered free of charge and covers topics such as eligibility requirements for retirement, various types of service credit purchases, Deferred Retirement Option Plan (DROP), Initial Benefit Option (IBO), survivor benefits, Louisiana Deferred Compensation, and Social Security. These seminars are presented in a virtual format and are approximately four hours in length. It is at the agency's discretion whether a member will have to take annual leave to attend.

Members may register online for a virtual PREP seminar at [www.lasersonline.org](http://www.lasersonline.org).

## BENEFIT ESTIMATES

Members who are within 18 months of eligibility for any type of retirement may request benefit estimates by submitting [Form 05-01: Request for Retirement Benefit Estimate](#) to LASERS. Benefit estimates may be requested for the following types of retirement (*members should request estimates for all types of retirement they are considering*):

- ❖ Regular Retirement
- ❖ Regular Retirement with an Actuarially Reduced Benefit
- ❖ Initial Benefit Option (IBO)
- ❖ Deferred Retirement Option Plan (DROP)
- ❖ Retirement After DROP
- ❖ Disability Retirement
- ❖ Rehired Retiree



**Adult probation & parole officers must submit [Form 16-04: Certification of Adult Probation and Parole Officer Employment](#), while members applying for retirement with Option 2B must submit [Form 06-03: Option 2B Mentally Handicapped Designee](#) along with their estimate request.**

Once a member submits a request for a benefit estimate, it will take approximately 4 to 6 weeks to process. Members should include their unused leave balances on the estimate request so that LASERS can provide estimates that show both a conversion of unused leave and a lump sum payment for unused leave. All estimates will include a benefit based on the retirement type selected by the member, in addition to an estimate for the Self-Funded COLA Option.

**NOTE:** *Benefit estimates are not guaranteed benefits. The actual pension benefits that a member is entitled to as a member of LASERS are determined by applicable laws as well as finalized service credit, earnings, and leave balances at the time of the member's retirement.*

## MYLASERS

LASERS' online account management tool, myLASERS, gives members and benefit recipients the ability to manage their LASERS account online in a secure environment. With this tool, members can view a summary of their retirement account, generate retirement estimates, upload documents, request appointments and much more. To register for this service, members should visit the LASERS website and click on myLASERS or go directly to [www.myLASERS.org](http://www.myLASERS.org).

## INDIVIDUAL MEMBER COUNSELING

Members are also encouraged to schedule an individual counseling session with a LASERS representative prior to retirement. The representative reviews the member's individual file, calculates estimates and answers any retirement questions. These counseling sessions are available to members who are within 18 months of retirement. Individual counseling sessions are by appointment only and are conducted both in-house at the LASERS office and periodically throughout the state.

It is suggested that prior to the session, members view the "Preparation for Individual Counseling" video found on the LASERS website to help prepare for the meeting.

## Initiating the Process

When a member plans to retire or enter DROP, he or she should contact the agency's Human Resources Office to obtain the proper retirement application (e.g. Regular Retirement, DROP, IBO, and Disability). Applications should be submitted to LASERS within three to six months of the planned date of retirement.

The retirement application must be received on or before the member's termination date or DROP start date. The member's retirement will be effective the day the application is received at LASERS, or the day after termination, whichever is later. *It is the responsibility of the member to know when he or she is eligible to retire.*

Members applying for DROP retirement must be active at the time the application is submitted. For information on calculating a retirement benefit, refer to the *Retirement Benefit Formula* section in [Chapter 8: Retirement Benefit Calculation & Eligibility](#).

**NOTE:** *If there is a break in service between the date of termination and the date of retirement, then the member will be considered retiring out of state service. This may cause the member's monthly benefit to be reduced and may cause the member to forfeit any unused leave.*

## Submitting the Application

Once the proper application has been completed, the member will submit the paperwork to his or her Human Resources Office. The Human Resources Personnel Officer will review the application to make sure it is completed in its entirety. All retirement applications must be certified by the agency. Uncertified applications will not be accepted.

However, if a member has been out of state service for more than 12 months, the application is not required to be certified. Members out of state service for less than 12 months should have their last employing agency certify their application.



**LASERS recommends** that members complete all paperwork **six months prior to the planned date of retirement or DROP start date.**

Prior to submitting the documents, the agency's Human Resources Personnel Officer should make a copy of the application and all applicable documents for its records, as well as provide a copy to the member (for a list of applicable documents, please refer to the appropriate retirement chapter of this handbook). Retirement benefits **will not** be paid until LASERS receives all required documents.

Lastly, the Human Resources Personnel Officer will submit the application and supporting documents to LASERS. Faxed copies are acceptable.

### DESIGNATING BENEFICIARIES ON AN APPLICATION

Members must designate a beneficiary on all applications submitted to LASERS. Members participating in DROP or selecting an IBO will need to designate a beneficiary independent of the retirement beneficiary. The DROP or IBO beneficiary may differ from the retirement beneficiary and can be changed at any time after retirement. Additionally, [Form 04-04: Spousal Consent](#) may be required depending upon the DROP/IBO beneficiary and the retirement option chosen (for more information on Spousal Consent, please refer to Chapter 16: Community Property & Divorce).

If a member has selected DROP, IBO or a retirement option that allows for multiple beneficiaries, then [Form 01-06: Designation of Beneficiary](#) should be submitted along with the retirement application. The form must be completed in its entirety. It is important to ensure that the member completes sections 4 and/or 5 of the form to designate the proper beneficiary type.

### CERTIFYING LEAVE

The agency should submit [Form 07-01: Certification of Unused Annual and Sick Leave](#) to LASERS no more than 30 days after the member's retirement date (for more information on certifying leave, please refer to [Chapter 14: Conversion of Unused Annual and Sick Leave](#)).

### FINAL EARNINGS

Final earnings are submitted via the agency's monthly contribution report, typically during the month following the member's retirement. The earnings reported should **only** include the remaining days worked up until the member's termination date.

Final earnings should not include the 300 hours of leave paid to the member at retirement. If the member was on leave without pay (LWOP) during the final month(s) of employment, then the LWOP dates should be indicated on [Form 07-01: Certification of Unused Annual and Sick Leave](#).

## Common Application Issues

There are several issues commonly overlooked during the application process that can result in application and administrative errors.

- ❖ The retirement date is listed as the termination date on Retirement and IBO applications. Typically, the retirement date is the day after the termination date for members who are retiring from active state service.
- ❖ The Retirement or IBO application is not submitted to LASERS prior to the termination date.
- ❖ The DROP start date is written incorrectly on the application and causes the member to miss a portion of his or her DROP window.
- ❖ An incorrect leave option is selected.

To avoid these issues, please review each application thoroughly and ensure it is received at LASERS prior to the termination date or DROP start date.

## Benefit Payments

Benefits are paid to the member on the first of each month and are guaranteed for life. A member can expect the first payment 30 to 45 days after the date of retirement as long as LASERS has received all required documents. Before a member's benefit can be finalized, LASERS must receive all final earnings and leave certification. Benefits are typically finalized within 60 to 90 days of the date of retirement.

## Rescinding an Application

At any point prior to a member's retirement date or DROP start date, a member can choose to rescind (cancel) his or her retirement application. If a member chooses to rescind, a signed and dated letter stating the decision should be submitted to LASERS by the agency's Human Resources Office. It must be received prior to the date of retirement or DROP start date.

**NOTE:** *A Disability retirement application can be rescinded; however, it must be rescinded prior to the case being submitted to the LASERS Board of Trustees for approval or disapproval.*

## Frequently Asked Questions

### 1. Can a member obtain more than one estimate per request?

*Yes. A member can include several retirement scenarios on a single request. In addition, if a member requests a DROP estimate, then LASERS will include estimates for regular retirement with and without an IBO.*

### 2. How far in advance may a member submit a retirement application?

*A member may submit an application up to six months prior to his or her retirement date.*

### 3. If a member was dually employed at termination, are applications needed from both agencies?

*Yes. A retirement application would need to be submitted by each agency.*

### 4. Can a member rescind (cancel) his or her retirement or DROP application?

*Yes, but only **prior to the effective date of the member's retirement or DROP start date.** A signed and dated letter stating the decision to rescind must be submitted to LASERS by the agency's Human Resources Office. **Disability retirement applications must be rescinded prior to the case being submitted to the Board for approval or disapproval.***

### 5. How long do members receive retirement benefits?

*Benefits are guaranteed for life.*

### 6. How often are retirement benefits paid?

*Benefits are paid on the first of each month, for that month.*

## 7. When and how can a member change the termination/retirement date listed on a submitted application?

The member must submit a revised application **prior to the retirement date** listed on the initial application.

## 8. Can a member change his or her retirement option or leave selection after the application has been submitted?

Yes, but only if a revised application is submitted **prior to the retirement date** listed on the initial application.

## 9. When should a member expect his or her first benefit payment?

The first payment is made 30 to 45 days after the retirement date as long as LASERS has received all required documents.

## 10. Is a member required to designate a retirement, DROP, and/or IBO beneficiary?

Yes. A member must designate a retirement beneficiary. If a member is participating in DROP or has selected an IBO, then the member must designate a DROP/IBO beneficiary in addition to the retirement beneficiary.

Furthermore, if a member has selected DROP, IBO or a retirement option that allows for multiple beneficiaries, the member has a choice of designating a person or entity as a beneficiary. A member may designate a beneficiary as to "the estate of". For example, Ella Long may choose to list her beneficiary as "the estate of Ella Long".

## 11. Can a member change his or her beneficiary after retirement?

A member may submit [Form 01-06: Designation of Beneficiary](#) to change a retirement beneficiary if he or she chose Maximum Option or Option 1. However, a member may not change a beneficiary if he or she chose Option 2A, 2B, 3, 4A, or 4B.

# Reference Material

## APPLICABLE FORMS

- [01-06: Designation of Beneficiary](#)
- [04-04: Spousal Consent Form](#)
- [05-01: Request for Retirement Benefit Estimate](#)
- [16-04: Certification of Adult Probation and Parole Officer Employment](#)

## Retirement & Initial Benefit Option (IBO)

- [06-01: Application for Retirement](#)
- [08-01: Judicial Application for Retirement](#)
- [06-01A: Application for Retirement with Initial Benefit Option \(IBO\)](#)  
(form to be used if the member was eligible to retire after 01/01/2004)
- [06-01B: Application for Retirement with Initial Benefit Option \(IBO\)](#)  
(form to be used if the member was eligible to retire on or before 01/01/2004)
- [08-02A: Judicial Application for Retirement with Initial Benefit Option \(IBO\)](#)  
(complete if eligible to retire after 01/01/2004, if retiring from the Judicial Plan, and if the first eligible date from membership in one of the four state retirement systems occurred prior to 01/01/2011)
- [08-02B: Judicial Application for Retirement with Initial Benefit Option \(IBO\)](#)  
(complete if eligible to retire on or before 01/01/2004)

## Deferred Retirement Option Plan (DROP)

- [09-01: Application for Deferred Retirement Option Plan \(DROP\)](#)  
(form to be used if the member was eligible to retire after 12/31/1995)
- [09-01A: Application for Deferred Retirement Option Plan \(DROP\)](#)  
(form to be used if the member was eligible to retire on or before 12/31/1995)
- [08-03: Judicial Application for DROP](#)
- [09-02: Certification at End of Employment After DROP](#)
- [08-06: Judicial Certification of Employment After DROP](#)

**Disability**

- [04-01: Disability Retirement Application](#)
- [08-04: Judicial Disability Retirement Application](#)

**APPLICABLE AGENCY LIAISON MEMORANDA**

- [10-06: LASERS Required Documents and Payment of Retirement Benefits](#)
- [10-12: Termination Date](#)
- [13-19: Selecting a Retirement Date](#)
- [16-24: Submission of LASERS Documents Via Fax](#)

**APPLICABLE LAWS**

(Note: this list is not exhaustive)

- [La R.S. 11:442](#) Application for Retirement; Effective Date; Cancellation; Suspension of Benefits
- [La R.S. 11:445](#) Payment of Benefit; Guaranteed Return of Accumulated Contributions
- [La R.S. 11:446](#) Mode of Payment Where Option Elected; Initial Benefit Option
- [La R.S. 11:447](#) Deferred Retirement Option Plan (DROP)
- [La R.S. 11:450](#) Termination of Participation
- [La R.S. 11:461](#) Disability Retirement

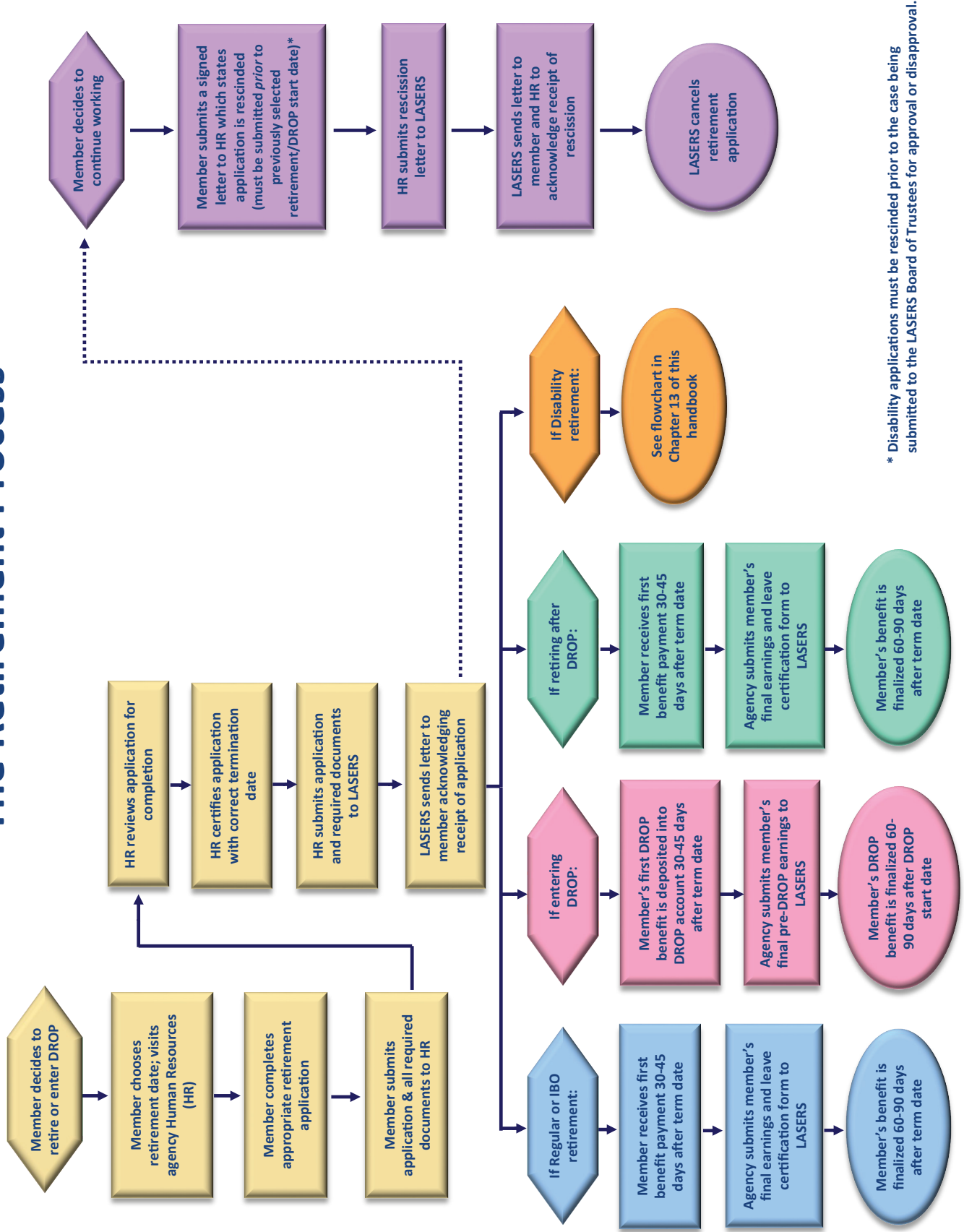
**APPLICABLE CHAPTERS IN MEMBER'S GUIDE TO RETIREMENT**

- [Chapter 11: Estimates](#)
- [Chapter 12: Regular Retirement](#)
- [Chapter 13: Initial Benefit Option \(IBO\)](#)
- [Chapter 14: Deferred Retirement Option Plan \(DROP\)](#)
- [Chapter 16: Disability Retirement](#)

**APPLICABLE LASERS VIDEOS**

- [What is Your Retirement Plan & Retirement Eligibility?](#)
- [Annual and Sick Leave: How It Affects You](#)
- [Countdown to Retirement](#)
- [Deferred Retirement Option Plan \(DROP\)](#)
- [Initial Benefit Option Plan \(IBO\)](#)
- [Judges Retirement Plan](#)
- [Preparation for Individual Counseling](#)
- [Social Security Offset \(WEP and GPO\)](#)

# The Retirement Process



\* Disability applications must be rescinded prior to the case being submitted to the LASERS Board of Trustees for approval or disapproval.