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## Frequently Asked Questions

## Retirement Application Checklist for Members

## Overview

This chapter outlines the steps to be taken when a member applies for Regular Retirement or Regular Retirement with an Actuarially Reduced Benefit. For information on other types of retirement (IBO, DROP and Disability), refer to Chapters 11, 12, and 13, respectively. LASERS encourages the employer, as well as the member, to make sure eligibility has been met prior to submitting an application and/or terminating employment. Members should be aware that termination of state service does not automatically constitute application for retirement. The member must submit a retirement application on or before their termination date to retire in state service.

If a member decides not to retire after submitting the application, then the application may be rescinded *prior to the retirement date*. A member cannot rescind his or her application after the retirement date has passed (for more information, refer to the *Rescinding an Application* section in [Chapter 7: The Retirement Process](#)). Members retiring out of state service are unable to rescind their application if the date received is the effective date of retirement.

**NOTE:** *The date of termination should be the member's last working day (or last day on payroll), not the member's retirement date.*

## The Application Process

### MEMBERS

Along with the application and other retirement forms submitted to LASERS, members will need to submit additional documentation with their application to ensure timely and accurate processing of their benefits. Below is a list of applicable documents needed:

- ❖ Copies of birth certificate for member and beneficiary(ies)
- ❖ Copies of Social Security card for member and beneficiary(ies)
- ❖ Copy of marriage license - *only required if member selects Option 4A*
- ❖ Copy of death certificate of deceased spouse - *only required if member's spouse is deceased*
- ❖ Certified copy of Divorce Decree - *only required if member is divorced*
- ❖ Certified copy of Community Property documents (if applicable)
- ❖ Certified copy of Matrimonial Contract, Prenuptial Agreement, Separate Property Agreements (if applicable)



**It is very important that *all documents submitted to LASERS include the member's full name and last four digits of his or her Social Security number.***

## EMPLOYERS

When a member contacts the agency's Human Resources Office regarding retirement, LASERS suggests that the Personnel Officer supply the member with a "Retirement Packet". This packet should contain a Retirement Checklist for Members (a checklist is provided at the end of this chapter) and the following forms, which can be found on the LASERS website under "Forms." Forms listed below with an asterisk (\*) do not apply to all applicants:

- ❖ [Form 06-01: Application for Retirement](#)
- ❖ [Form 08-01\\*: Judicial Application for Retirement](#)
- ❖ [Form 04-05: Authorization for Direct Deposit](#)
- ❖ [Form W-4P: Withholding Certificate for Pension or Annuity Payments](#)
- ❖ [Form 06-02\\*: Insurance Premium Deduction Authorization](#) – only needed if the member has insurance through Louisiana Office of Group Benefits
- ❖ [Form 01-06\\*: Designation of Beneficiary](#) – only needed if the member has chosen a retirement option that allows for more than one beneficiary and the member would like to list additional beneficiaries not currently listed on the application

- ❖ [Form 04-04\\*: Spousal Consent](#) – only needed if the member is selecting a beneficiary other than his or her spouse or if the retirement option selected does not leave a monthly benefit to his or her spouse of at least 50 percent of the member's benefit
- ❖ [Form 02-01A\\*: Authorization of Direct Rollover](#) – only needed if the member has chosen to roll over his or her lump sum leave payment
- ❖ [Form 06-03\\*: Option 2B Mentally Handicapped Designee](#) – only needed if member has chosen Option 2B

**NOTE:** Members employed prior to July 1, 1986 may be eligible for an additional \$300 annual benefit (\$25.00 monthly) if they retire with an accrual rate of 2.5%. A member who transfers time into LASERS from either TRSL or LSERS may be eligible to receive the additional benefit if the member earned service credit prior to July 1, 1986.

## Employer Quick Check

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|---|--|
| <ul style="list-style-type: none"> <li>✓ Did the member complete <a href="#">Form 06-01: Application for Retirement</a> in its entirety?</li> <li>✓ Did the Personnel Officer certify the application with the correct termination date in Section 8?</li> <li>✓ Did the member attach copies of applicable documents? See the listing found at the end of this chapter.</li> <li>✓ Did the member complete the following forms in their entirety and attach them to the application?             <ul style="list-style-type: none"> <li>✓ <a href="#">Form 04-05: Authorization for Direct Deposit</a></li> <li>✓ <a href="#">Form 06-02: Insurance Premium Deduction Authorization</a></li> <li>✓ <a href="#">Form W-4P: Withholding Certificate for Pension or Annuity Payments</a></li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>✓ Did the member complete any other applicable forms and attach them to the application?</li> <li>✓ Did the member clearly write his or her name and last four digits of his or her Social Security number on all documentation?</li> <li>✓ Did the member receive a copy of the forms?</li> <li>✓ Were copies of the forms placed in the member's personnel file?</li> <li>✓ Were all documents submitted to LASERS prior to the member's termination date? LASERS will accept faxed copies of all documents except for Spousal Consent forms, Divorce Decrees, and other legal forms that require a raised seal.</li> </ul> |
|---|--|

## Calculating A Benefit

Depending upon the member's eligibility, a member may select Regular Retirement or Regular Retirement with an Actuarially Reduced Benefit on [Form 06-01: Application for Retirement](#). This retirement selection will determine how the member's retirement benefit is calculated. Members who are participants in the Judicial Retirement Plan will need to complete [Form 08-01: Judicial Application for Retirement](#).

### REGULAR RETIREMENT

Regular retirement is based on the member's eligibility requirements as described by the applicable retirement plan (refer to [Chapter 8: Retirement Benefit Calculation & Eligibility](#)).

**Example:** John began employment in 1991 and is now retiring at age 55 with 25 years of service credit. He has an annual final average compensation of \$50,000. His base retirement benefit would be calculated in the following manner:

Average compensation x Accrual rate x  
Years of service credit = **Maximum Benefit**

$\$50,000 \times 2.5\% \times 25.00 =$   
**\$31,250 per year (\$2,604.17 monthly)**

John's maximum retirement benefit will be \$31,250 per year (\$2,604.17 monthly) for the remainder of his life. Depending upon the option John chooses, his benefit could be reduced (refer to [Chapter 9: Retirement Options & Cost-Of-Living Adjustments](#)).

### REGULAR RETIREMENT WITH AN ACTUARIALLY REDUCED BENEFIT

This retirement selection will apply an actuarial reduction factor\* to the member's maximum benefit.

This option is not available to members who participate in DROP or retire with an IBO. Most classes of members are eligible for regular retirement with

an actuarially reduced benefit with 20 years of service credit at any age. However, Correctional Secondary, Harbor Police, and Wildlife plans are currently the only classes of members who are ineligible for regular retirement with an actuarially reduced benefit (refer to [Chapter 8: Retirement Benefit Calculation & Eligibility](#)).

**Example:** Susan began employment in 1996. She is retiring at age 56 with 20 years of service credit and has selected a regular retirement with an actuarially reduced benefit. She is currently 48 months away from eligibility for unreduced retirement. Susan's annual final average compensation is \$50,000. Her base retirement benefit would be calculated in the following manner:

Average compensation x Accrual rate x  
Years of service credit = **Maximum Benefit**

$\$50,000 \times 2.5\% \times 20.00 =$   
**\$25,000 per year (\$2,083.33 monthly)**

Since Susan is retiring with a regular retirement with an actuarially reduced benefit, an actuarial reduction factor\* is applied to her maximum benefit to calculate her reduced maximum benefit.

Maximum Benefit x Actuarial Reduction Factor\* =  
**Actuarially Reduced Maximum Benefit**

$\$25,000 \text{ per year} \times 0.69547 =$   
**\$17,386.75 per year (\$1,448.90 monthly)**

Susan's maximum retirement benefit will be \$17,386.75 per year (\$1,448.90 monthly) for the remainder of her life. Depending upon the option Susan chooses, her benefit could be further reduced (refer to [Chapter 9: Retirement Options & Cost-Of-Living Adjustments](#)).

\*The actuarial reduction factor is provided by the LASERS Actuary and is based on the member's age at retirement and the number of months that he or she is away from eligibility for unreduced regular retirement. The factors change periodically.

## Frequently Asked Questions

### 1. Is a regular retirement with an actuarially reduced benefit considered “early retirement”?

No. A regular retirement with an actuarially reduced benefit is a regular retirement, but at a reduced amount since the member has at least 20 years of service but has not reached the age required for an unreduced benefit. Although “early” retirement options have previously been legislatively authorized, there are none currently offered.

### 2. Can a member rescind his or her retirement application?

Yes. If a member chooses to rescind, a signed and dated letter stating the decision to rescind should be submitted to LASERS by the agency's Human Resources Office. It must be received **prior to the date of retirement**. Members retiring out of state service are unable to rescind their application if the date received is the effective date of retirement.

### 3. 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.

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

Yes. A revised application may be submitted **prior to the retirement date** listed on the application.

### 5. 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.

### 6. Must a member designate a retirement beneficiary?

Yes. A member must designate a retirement beneficiary.

### 7. May a member select an IBO while opting to retire with a regular retirement with an actuarially reduced benefit?

No. Members who retire with a regular retirement with an actuarially reduced benefit are not eligible to retire with an IBO or participate in DROP.

### 8. Are members of Correctional Secondary, Harbor Police and Wildlife Agents retirement plans eligible for a regular retirement with an actuarially reduced benefit?

No. Correctional Secondary, Harbor Police and Wildlife plans are currently the only classes of members who are ineligible for regular retirement with an actuarially reduced benefit.

### 9. If a member repaid refunded time from 1985, would he or she be eligible for the \$300 annual additional benefit?

The member would have had to repay the refund prior to July 1st, 1986 and must meet the requirements in order to be eligible for the \$300 annual additional benefit.

## Reference Material

### APPLICABLE FORMS

- [01-06: Designation of Beneficiary](#)
- [02-01A: Authorization of Direct Rollover](#)
- [04-04: Spousal Consent](#)
- [04-05: Authorization for Direct Deposit](#)
- [06-01: Application for Retirement](#)
- [06-02: Insurance Premium Deduction Authorization](#)
- [06-03: Option 2B Mentally Handicapped Designee](#)
- [07-01: Certification of Unused Annual and Sick Leave](#)
- [08-01: Judicial Application for Retirement](#)
- [W-4P: Withholding Certificate for Pension or Annuity Payments](#)

### APPLICABLE AGENCY LIAISON MEMORANDA

- [10-06: LASERS Required Documents and Payment of Retirement Benefits](#)
- [10-12: Termination Date](#)
- [13-19: Selecting a Retirement Date](#)
- [15-19: Employees Hired After July 1, 2015](#)
- [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. 11:444](#) [Computation of Retirement Benefit](#)
- [La. R.S. 11:445](#) [Payment of Benefit](#)
- [La. R.S. 11:441](#) [Eligibility for Retirement](#)
- [LAC 58.I.2901](#) [Spousal Consent to Retirement Option](#)
- [LAC 58.I.2903](#) [Instances Where Spousal Consent is Not Required](#)

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

- [Chapter 12: Regular Retirement](#)

### APPLICABLE LASERS VIDEOS

- [Annual and Sick Leave: How it Affects You](#)
- [Countdown to Retirement](#)
- [Judges Retirement Plan](#)



## Retirement Application Checklist for Members

This checklist is to assist you in completing retirement paperwork to be submitted to your Human Resources Personnel Officer. Retirement benefits are not paid by LASERS until all required documentation is received. To ensure proper identification, include your full name and the last four digits of your Social Security number on all documents submitted to LASERS. Please write clearly.

### FORMS TO COMPLETE:

- Sections 1-7 of Form 06-01: Application for Retirement or Form 08-01: Judicial Application for Retirement (*Retirement applications may be submitted six months prior to your planned retirement date. Your retirement application must be received on or before your termination date.*)
- Form 04-05: Authorization for Direct Deposit
- Form W-4P: Withholding Certification for Pension or Annuity Payments
- If applicable, complete Form 06-02: Insurance Premium Deduction Authorization (*This form is required if you are insured through Louisiana Office of Group Benefits.*)
- If applicable, complete Form 04-04: Spousal Consent (*This form is required if you are selecting a beneficiary other than your spouse or if the retirement option selected does not leave a monthly benefit to your spouse of at least 50 percent of your monthly benefit.*)
- If applicable, complete Form 02-01A: Authorization for Direct Rollover (*This form is required if you have chosen to roll over a lump sum leave payment.*)
- If applicable, complete Form 01-06: Designation of Beneficiary (*This form is needed if you have chosen a retirement option that allows for more than one beneficiary and you would like to list additional beneficiaries not currently listed on the retirement application.*)
- If applicable, complete Form 06-03: Option 2B Mentally Handicapped Designee (*This form is needed only if you have chosen Option 2B.*)

### DOCUMENTS TO ATTACH TO THE APPLICATION:

- A copy of your birth certificate and Social Security card issued by the Social Security Administration
- A copy of your beneficiary(ies) birth certificate and Social Security card issued by the Social Security Administration
- A copy of your marriage license (*only required if you have chosen Option 4A*)
- A copy of your spouse's death certificate, if applicable
- A certified copy** of any Divorce Decrees, if applicable
- A certified copy** of Community Property documents, if applicable
- A certified copy** of Matrimonial Contract, Pre-nuptial Agreement, and/or Separate Property Agreement, if applicable