

LIAISON MEMORANDUM NUMBER 13-13

To: Agency Liaison Officers

From: Cindy Rougeou
Executive Director

Re: Retirement Eligible Contributions and Wage Types

Date: July 12, 2013

Determining what parts of an employee's compensation is retirement eligible can be confusing because it can be classified into several different wage types. These wage types are retirement eligible if they are considered part of "earned compensation" which is defined in R.S. 11:403(10) as base pay and certain emoluments of employment such as paid housing allowances, car allowances, food allowances, and clothing allowances. Reimbursements of expenses do not qualify as emoluments. Also, this definition excludes several wage types from being counted as base pay, namely:

1. Overtime (exceptions exist for certain commissioned law enforcement officers and legislative staff);
2. Per diem;
3. Differential pay;
4. Payment in kind;
5. Premium pay; or
6. Any other allowance for expense authorized and incurred as an incident to employment.

Another item to consider is whether the wage type is considered to be "permanent/recurring" or "temporary/non-recurring." "Permanent/recurring" wage types in most cases are considered retirement eligible where as "temporary/non-recurring" wage types are not retirement eligible. If your agency is unsure about whether a wage type is retirement eligible please consult with your agency's legal counsel for determination. It is difficult for LASERS to make a determination because we do not have details of agency specific employment contracts or agreements. LASERS legal counsel is also available to consult with your agency's counsel on the specifics of LASERS laws and regulations.

If you have additional questions, please contact a LASERS Member Services Representative at 225.922.0600.

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