

LIAISON MEMORANDUM NUMBER 11-32

To: Agency Liaison and Payroll Officers

From: Cindy Rougeou
Executive Director

Re: Vesting in LASERS for Rank-and-File Members

Date: November 22, 2011

There is much confusion about what it means to have a “vested” interest in LASERS. In accord with state law, LASERS considers a rank-and-file, or regular member, to be “vested” when they have the requisite age and service credit to be able to retire, even if they remain in state service. This includes the right to accept an actuarially reduced retirement benefit with 20 years of service at any age.

A member may also have earned the right to defer their retirement benefit. For example, a member hired on or before June 30, 2006, who has earned at least 10 years of service credit, will be eligible to retire, even if they are out of state service, when they reach age 60, at which time they would also be considered vested.

For members hired on or after July 1, 2006, they may retire with five years of service at age 60. They would be “vested” when they are age 60 with the requisite five years of service credit or at any age with 20 years of service credit.

Ten years of service credit is also important in determining eligibility for LASERS membership for certain types of employees. Employees who are on a job appointment for less than two years, are intermittent, part-time, seasonal, or temporary are not eligible for LASERS membership unless they already have ten years of service credit.

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As you can see, the number of years of service credit earned by individual members is meaningful in a number of different contexts, not all of which constitute “vesting.” For questions, please contact a Customer Service Representative at 225.922.0600 or 800.256.3000.