

**LASERS**

as of August 2025

# Employer's Guide to Retirement



**Photo by Jeanie Rhea**  
Retiree from the Department of  
Children and Family Services  
The Louisiana State Capitol, Baton Rouge

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**Louisiana State Employees' Retirement System**

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# Table of Contents

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|   |      |
|---|------|
| Chapter 1: Membership & Enrollment.....                         | 1-1  |
| Chapter 2: Service Credit.....                                  | 2-1  |
| Chapter 3: Contribution Reporting.....                          | 3-1  |
| Chapter 4: Refund of Contributions.....                         | 4-1  |
| Chapter 5: Purchases, Transfers, & Reciprocals.....             | 5-1  |
| Chapter 6: Survivor Benefits.....                               | 6-1  |
| Chapter 7: The Retirement Process.....                          | 7-1  |
| Chapter 8: Retirement Benefit Calculation & Eligibility.....    | 8-1  |
| Chapter 9: Retirement Options & Cost-of-Living Adjustments..... | 9-1  |
| Chapter 10: Regular Retirement.....                             | 10-1 |
| Chapter 11: Initial Benefit Option.....                         | 11-1 |
| Chapter 12: Deferred Retirement Option Plan.....                | 12-1 |
| Chapter 13: Disability Retirement.....                          | 13-1 |
| Chapter 14: Conversion of Unused Annual & Sick Leave.....       | 14-1 |
| Chapter 15: Re-employed Retirees.....                           | 15-1 |
| Chapter 16: Community Property & Divorce.....                   | 16-1 |

## Specialty Plans

|  |      |
|--|------|
| Chapter 17: Hazardous Duty Services Plan (HAZ Plan)..... | 17-1 |
| Chapter 18: Judicial Retirement Plans.....               | 18-1 |
| Chapter 19: Wildlife Agents Plan.....                    | 19-1 |
| Chapter 20: Correctional Retirement Plans.....           | 20-1 |

## Appendices

|   |     |
|---|-----|
| Appendix A: How to Enroll and Terminate Members Using ESS.....      | A-1 |
| Appendix B: DROP vs. IBO: What's the Difference?.....               | B-1 |
| Appendix C: LASERS Membership Categories Quick Reference Guide..... | C-1 |
| Appendix D: Glossary of Terms.....                                  | D-1 |



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## Content

### [Overview](#)

### [Membership Registration Form](#)

### [Types of Employees](#)

### [Membership](#)

- [Eligible Membership](#)
- [Optional Membership](#)
- [Classes of Excluded Employees](#)

### [Hiring and Enrolling Employees with Substantial Earnings Under Social Security](#)

### [LASERS Membership Categories](#)

- [Current Categories](#)
- [Other Categories](#)

### [Documenting Employees Not Enrolled in LASERS](#)

### [Enrolling and Terminating Members](#)

### [Member Demographic Information](#)

## Quick Links

### [Employer Quick Check](#)

### [Reference Material](#)

## Frequently Asked Questions

## Flowcharts

### → [Determining Eligibility for Membership](#)

### → [Determining a Retirement Plan](#)

## Overview

Membership in LASERS is mandatory for all state employees whose agency is a LASERS participating employer, except those employees excluded by law or those who have the choice to opt out of membership. This chapter will define types of employees and serve as a guide to determining which employees are eligible for membership in LASERS. This chapter will also outline the membership categories available to both new and existing members of LASERS.

**NOTE:** *Missing or incorrect enrollment information may lead to discrepancies in the employee's record. LASERS must receive the corrected information from the employer in order to complete any retirement process.*

## Membership Registration Form

[Form 01-01: Member Registration](#) must be completed to ensure that the member is enrolled properly. Form 01-01 can also serve as a helpful guide to enrollment. However, this form is not required to be submitted to LASERS; it should be kept in the employee's personnel file at the employing agency.

## Types of Employees

It is important to recognize that the employee types in LASERS laws may not coincide with the employee types as defined by Civil Service. In many cases, an employee may fit into more than one employee type. For example, an intermittent employee is also, by definition, a part-time employee. Determining the employee type will assist in determining a member's eligibility for LASERS.

The following are types of employees:

A **full-time employee** is any employee who:

- ❖ Has a normal working schedule of greater than 20 hours per week and performs services under an employment arrangement with the employer of more than two years in duration

**or**

- ❖ Normally works on a full-time basis for five months or more in a year

A **part-time employee** is any employee who has a normal working schedule of 20 hours or less per week or any employee who is seasonal or temporary. This would include **emergency employees**.

A **seasonal employee** is any employee who normally works on a full-time basis for **less than five months** in a given year.

A **temporary employee** is any employee performing services under an employment arrangement with the employer of **two years or less** in duration.

A **WAE (when actually employed) employee** is an employee who works on an "as needed" basis. Refer to part-time definition.

A **nine-month employee** is an employee who works nine

months in an academic or calendar year.

A **ten-month employee** is an employee who works 10 months in an academic or calendar year.

A **twelve-month employee** is an employee who works 12 months in an academic or calendar year.

An **intermittent employee** is an employee who works an indefinite schedule on an "as needed" basis. Refer to part-time definition.

A **job appointment** is a situation in which an employee is employed for a fixed period **not to exceed two years**.

A **restricted appointment** is a situation in which an employee is employed for no greater than six months.

## Employer Quick Check

- ✓ Has eligibility been determined for the employee? (refer to the *Membership* section of this chapter)
- ✓ Was *Form 01-01: Membership Registration* completed?
  - ✓ **Section 2: Optional Membership**—Does the employee meet the criteria?
  - ✓ **Section 3: Previous Enrollment**—Was the employee previously enrolled in LASERS or another public retirement system in Louisiana? Is the employee a retiree of another Louisiana public retirement system?
  - ✓ **Section 4: Service History**—Is the employee a new hire, return to service, transferring from another agency or State Retirement System (LASERS, TRSL, LSERS, LSPRS) or MPERS?
    - Types of Employment**—Does the employee fit into an eligible category?
    - Employee Information**—Was the information properly completed?
    - Agency Certification**—Did the agency properly certify the document?
- ✓ Were copies of *Form 01-01: Membership Registration* placed in the employee's personnel file? (This form is not returned to LASERS and should be maintained in the employee's file at the agency.)
- ✓ Was *Form SSA-1945: Statement Concerning Your Employment in a Job Not Covered by Social Security* completed by the employee and placed in the employee's personnel file? (Submit a copy of the signed form to LASERS.)
- ✓ Was the employee enrolled in a position covered by another named retirement system? If so, was the proper *Notice of Membership Election* form (01-03 or 01-05) submitted to LASERS at the time of enrollment?
- ✓ Was the employee enrolled in a Hazardous Duty position? If applicable, was *Form 02-18: Hazardous Duty Services Plan Election* submitted to LASERS? (This form is only required if the member has previous service in another plan.)
- ✓ Did the Personnel Officer submit the enrollment through LaGov, File Transfer Protocol (FTP) or Employer Self-Service (ESS)?

## Membership

When determining whether an employee should be enrolled in LASERS, it is important to note that the Civil Service job classifications and LASERS eligibility rules are very different. This section will outline:

1. Eligible Membership
2. Optional Membership
3. Classes of Excluded Employees

### ELIGIBLE MEMBERSHIP

Any person who becomes employed in a LASERS eligible position will become a member of LASERS as a condition of employment. The only exceptions are those employees excluded by law or those who have an option to join LASERS.

### Members Electing to Remain in Current System

If an employee is hired into a LASERS eligible position but is an actively contributing member in another public retirement system, then the employing agency should contact the other system to see if the employee is eligible to retain membership in that system. If the employee is eligible to retain membership, then documentation must be submitted to the retirement system of which he or she is a member.

Likewise, if a person becomes employed in a position covered by Louisiana School Employees' Retirement System (LSERS), Louisiana State Police Retirement System (LSPRS), Teachers' Retirement System of Louisiana (TRSL) or Municipal Police Employees' Retirement System (MPERS) and is a contributing member of LASERS, he or she can elect to remain a contributing member of LASERS in lieu of joining the other retirement system. The employee must have **at least five years** of creditable service in LASERS to retain membership. This election must be made within 30 days of employment and [Form 01-03: Notice of Membership Election A](#) must be submitted to LASERS. This decision is irrevocable.

Furthermore, if an employee has creditable service of **at least one year** with LASERS and circumstances out of his or her control require participation in LSERS, LSPRS, TRSL or Municipal Employees' Retirement System (MERS), then the employee has the right to remain a contributing member of LASERS in lieu of joining the other retirement system. This election must be made within 30 days of employment and documentation must be submitted to LASERS. If the member is electing to remain in LASERS, then [Form 01-05: Notice of Membership Election C](#) must be submitted to LASERS. This decision is irrevocable.

### Members Considered Part-Time

Eligibility for LASERS is typically not available to part-time, intermittent, temporary, emergency, WAE, and job appointment employees. However, if an employee has **10 or more years of service credit** with LASERS and is hired into a position that is seasonal, part-time, intermittent, temporary, emergency, WAE, or a job appointment, then he or she must be enrolled into LASERS. In addition, if an employee is hired into a job appointment where the intended duration of the position is greater than two years and the normal working schedule is greater than 20 hours per week, then he or she must be enrolled into LASERS. The two-year duration should be based on the agency's expectation for keeping the position and not the expected duration of keeping the individual employee.

## Members with Dual Employment

A member can be employed in more than one public position within the state. However, the member must contribute to the appropriate retirement system. Under no circumstance can a member earn more than one year of service credit in any one year. Also, service credit earned in more than one retirement system during the same year cannot be transferred or recognized reciprocally to attain more than one year of service credit in any system. If the member is hired into a LASERS eligible secondary position, then his or her enrollment eligibility for dual employment is as follows:

- Members with more than 10 years of creditable service in the system must contribute to LASERS on earnings from a part-time/secondary position
- Members with less than 10 years of creditable service shall not contribute to LASERS on earnings from a LASERS eligible part-time/secondary position until either:
  - The member accrues 10 years of more of creditable service
  - or**
  - The part-time position becomes full-time.

### Members Enrolled in a Secondary Position with LASERS Eligibility

If a member accepts a LASERS eligible secondary position, then it is important to make sure the member is enrolled in the correct retirement plan. When enrolling a member, the retirement plan for the secondary position must be the same as the retirement plan for the primary position. For example, if a member is currently enrolled in Corrections Secondary in their primary position and accepts a secondary position, then the secondary position should be reported under Corrections Secondary.

**Example 1:** Rose works for DOTD in a full-time position and was recently hired by DOA in a part-time position (10 hours per week). She has 20 years of service with LASERS, so the secondary position is also eligible and must be reported.

**Example 2:** Jim works for DOTD in a full-time position and was recently hired by LSU as an adjunct professor. He has 20 years of service with LASERS, but the LSU position is not covered by LASERS or TRSL. Therefore, the LSU position is not eligible for LASERS, and Jim does not have the option of using the *Notice of Election A* form in this situation.

## OPTIONAL MEMBERSHIP

For certain classes of employees, membership in LASERS is optional. The following employees have the option to join LASERS as a condition of their employment:

- ❖ Elected officials (full-time)
- ❖ Officials appointed by the governor whose appointment is subject to confirmation by the Senate and who are not ineligible by law (refer to the section *Classes of Excluded Employees* for a list of ineligible officials)
- ❖ Employees who are receiving retirement benefits at the time of hire from any Louisiana public retirement system, other than LASERS
- ❖ Employees who are at least 55 years of age at the time of employment and who have earned at least 40 quarters in the Social Security system (*the member is required to submit proof from the Social Security Administration; documentation must be maintained at the agency.*)
- ❖ Employees who are at least 60 years of age at the time of employment

If a newly hired employee without any previous state service falls into one of the above categories, then the employee must complete [Form 01-01: Membership Registration](#) to elect to be enrolled in LASERS. This form is not submitted to LASERS, but is kept in the employee's personnel file at the employing agency.

## CLASSES OF EXCLUDED EMPLOYEES

The following classes of employees are ineligible for membership into LASERS:

- ❖ State employees who receive a per diem allowance instead of earned compensation
- ❖ Public officials who receive a per diem allowance instead of earned compensation
- ❖ Persons employed on or after July 1, 1991 on a seasonal, part-time, intermittent, temporary, emergency, WAE, or job appointment basis, unless the employee has **10 or more years of service credit in LASERS** or unless the intended duration of employment is **greater than two years and has a normal work schedule of greater than 20 hours per week**
- ❖ Part-time public officials are excluded from membership, except any elected or appointed officials enrolled in LASERS or the public retirement system for that position on January 1, 1997. Part-time public officials are defined by the legislature as any of the following:
  - ❖ Legislators
  - ❖ Members of a school board, levee board, police jury, or parish council
  - ❖ Members of a city council, city-parish council, or town council
  - ❖ Aldermen or constables
  - ❖ Members of a board or commission established by the state or any instrumentality or political subdivision thereof
- ❖ Students, interns, and resident physicians at any state educational institutions who are employed by any agency of the state for temporary, part-time, or intermittent work, except those on educational leave
- ❖ Independent contractors pursuing an independent business or profession pursuant to a contract for specific price to perform a specific duty
- ❖ Certain unclassified health care professionals employed by LSU Health Sciences Center (LSUHSC) medical centers known as "pool" employees

- ❖ Unclassified, temporary seasonal income tax rush employees and unclassified WAE employees at the Department of Revenue, excluding the Louisiana Tax Commission
- ❖ Patients or inmates helping in state charitable, penal or correctional institutions

## Hiring and Enrolling Employees with Substantial Earnings Under Social Security

Prior to accepting a LASERS eligible position, a potential employee should be aware that if he or she contributed into Social Security for a substantial period of time, his or her Social Security benefit may be impacted by the Windfall Elimination Provision (WEP) at retirement. Depending upon an employee's age at the time of hire and the amount of time he or she has contributed to Social Security, the employee may have the option to elect **not to contribute** to LASERS.

### IMPACT OF WINDFALL ELIMINATION PROVISION (WEP) ON EMPLOYEES OVER AGE 50

Under WEP, a potential employee's Social Security benefit may be reduced when he or she is entitled to a pension from another job in which Social Security taxes were not paid. **WEP does not apply to an employee hired into a LASERS eligible position if the employee has 30 or more years of substantial earnings under Social Security.** At the time an employee is hired, [Form SSA-1945: Statement Concerning Your Employment in a Job Not Covered by Social Security](#) must be completed to notify the employee that he or she is being hired into a position that is not covered by Social Security. This form is not returned to LASERS and should be maintained in the employee's personnel file at the employing agency. For more information on the Windfall Elimination Provision (WEP) or a copy of Form SSA-1945, please visit Social Security Administration's website at [www.socialsecurity.gov](http://www.socialsecurity.gov).

### OPTIONAL MEMBERSHIP CLASSES

There are two situations in which employees can elect to “opt” out of LASERS at the time of employment:

- ❖ Employees who are at least 55 years of age and have earned 40 quarters in Social Security Administration (SSA)
- ❖ Employees who are at least 60 years of age

Employees electing to “opt” out of LASERS at the time of employment must make this selection when completing [Form 01-01: Membership Registration](#) and should not be enrolled in LASERS. If an employee is age 55 at the time of employment and has earned 40 quarters in SSA, then the employee must submit *Form SSA-7005: Earnings and Benefits Statement* to the agency to certify that he or she has met the requirements for optional membership. Form SSA-7005 must be completed by a Social Security Representative. For more information on acquiring this form, please visit Social Security Administration's website at [www.socialsecurity.gov](http://www.socialsecurity.gov).

## LASERS Membership Categories

When enrolling an employee into LASERS, it is imperative to enroll the member in the proper membership category or “Retirement Plan”. Enrollment into one of these categories is determined by the enrollment date, prior membership in a state system, and job title.

### CURRENT MEMBERSHIP CATEGORIES

New employees hired into LASERS who have never contributed to a state retirement system must be enrolled in one of the following categories:

- ❖ **Regular Employees 4** – Rank and File employees hired on or after July 1, 2015
- ❖ **Judicial Employees 3** – Judges first taking office on or after July 1, 2015
- ❖ **Hazardous Duty** – Hazardous Duty Personnel hired on or after January 1, 2011

Members who were enrolled in one of the four state retirement systems (LASERS, TRSL, LSERS, LSPRS) prior to January 1, 2015 and did not refund their contributions will be enrolled into the LASERS retirement plan that was in place on the date that he or she was first eligible to be enrolled in one of the four state retirement systems. However, members enrolled in a **hazardous duty eligible position** only have the option to remain a member of their current LASERS plan or current system, if eligible, or join the HAZ Plan.

Eligible members should complete [Form 01-10: Certification of Membership in a State System Prior to July 1, 2015](#) and have it certified by the prior retirement system. The completed form must be submitted to LASERS to ensure that the member is enrolled in the proper retirement plan.

### OTHER MEMBERSHIP CATEGORIES

Membership in the following categories is generally closed to new employees; however, new employees may belong to one of these classes if they had membership in one of the four state retirement systems prior to January 1, 2015:

- ❖ **Regular Employees** – Rank and File employees hired on or before June 30, 2006
- ❖ **Regular Employees 2** – Rank and File employees hired on or after July 1, 2006, but prior to January 1, 2011
- ❖ **Regular Employees 3** – Rank and File employees hired on or after January 1, 2011, but prior to July 1, 2015. This plan also includes Court Officers, Appellate Law Clerks, Governors, Lieutenant Governors, State Treasurers, Clerks and Sergeants-at-Arms of the House of Representatives, Secretaries and Sergeants-at-Arms of the Senate, the President of the Senate, and certain Legislative personnel who were previously part of specialty plans.

- ❖ **Corrections Primary** - Correctional Officers, Security Personnel, and Probation and Parole Officers with the Department of Public Safety and Corrections (DPS) hired before January 1, 2002
- ❖ **Corrections Secondary** - Correctional Officers, Security Personnel, and Probation and Parole Officers with DPS employed after December 31, 2001, but before January 1, 2011
- ❖ **Peace Officers** – Peace officers with the Office of State Police of the Department of Public Safety and Corrections, excluding state troopers, who were hired prior to January 1, 2011
- ❖ **Wildlife Agents** - Wildlife agents with the Enforcement Division of the Department Wildlife and Fisheries who were hired prior to January 1, 2011
- ❖ **Alcohol and Tobacco Control** - Full-time, P.O.S.T.-certified law enforcement personnel, supervisors, and administrators with the Office of Alcohol and Tobacco Control (ATC) of the Department of Revenue who were hired prior to January 1, 2011
- ❖ **Bridge Police Employees** – Employees of the Bridge Police section of the Crescent City Connection Division of the Department of Transportation and Development (DOTD) and transferred to the Department of Public Safety and Corrections (DPS), who were hired prior to July 1, 2006
- ❖ **Bridge Police Employees 2** - Employees of the Bridge Police section of the Crescent City Connection Division of the Department of Transportation and Development (DOTD) and transferred to the Department of Public Safety and Corrections (DPS), who were hired on or after July 1, 2006, but prior to January 1, 2011
- ❖ **Legislator** – Certain legislative personnel, presidents of the Senate, governors, and lieutenant governors employed or taking office before January 1, 2011, and legislators serving prior to January 1, 1997
- ❖ **Legislator 2** - Very few members fit this category. For information on retirement eligibility for members of the Legislator 2 plan, please contact LASERS at 800.256.3000 or 225.922.0600.
- ❖ **Special Legislative Employees** - Clerks and Sergeants-at-arms of the House of Representatives and secretaries and Sergeants-at-arms of the Senate employed before January 1, 2011
- ❖ **State Treasurer** - State treasurers taking office before January 1, 2011
- ❖ **Judicial Employees** - Judges and Court Officers who were hired or first took office prior to January 1, 2011
- ❖ **Judicial Employees 2** - Judges who first took office on or after January 1, 2011, but on or before June 30, 2015
- ❖ **Appellate Law Clerk** - Law clerks of a Judge or Justice of an Appellate Court or of the Louisiana Supreme Court and certain judicial administrators who were hired prior to July 1, 2006
- ❖ **Appellate Law Clerk 2** - Law clerks of a Judge or Justice of an Appellate Court or of the Louisiana Supreme Court and certain judicial administrators, who were hired on or after July 1, 2006, but prior to January 1, 2011
- ❖ **New Orleans Harbor Police** – Any employee or commissioned police officer of the Harbor Police Department of the Port of New Orleans who was employed prior to July 1, 2004, or any commissioned police officer who was employed on or after July 1, 2004 but prior to July 1, 2014

## Documenting Employees not Enrolled in LASERS

If an employee's position is eligible for LASERS, but the employee is not enrolled in LASERS (due to optional membership), [Form 01-01: Member Registration](#) should still be completed and housed in the employee's personnel file. This documentation may be necessary if an agency is audited (refer to the examples below).

- If an employee is eligible for optional membership into LASERS and decides to "opt" out of membership (refer to the section of this chapter *Optional Membership*), then Section 2 of [Form 01-01: Member Registration](#) must be completed by the employee. The employee and the Human Resources Personnel Officer must sign the document. If audited, proper documentation will show that the employee knew of his or her options and selected not to contribute to LASERS.
- If an employee is hired in a LASERS eligible position but has the right to retain membership in another retirement system (refer to the section *Members Electing to Remain in Current System* in this chapter), then Section 3 of [Form 01-01: Member Registration](#) must be completed by the employee. The employee and the Human Resources Personnel Officer must sign the document. The Human Resources Personnel Officer should also obtain documentation from the other retirement system that indicates the employee has appropriate eligibility. If audited, all documents in the file will show that the employee knew of his or her options and was eligible to retain membership in the other system.

- If an employee is hired in a position that is not eligible for LASERS, then "Types of Employment" in Section 4 of [Form 01-01: Member Registration](#) should be reviewed and "Employee Information" in Section 4 must be completed. In this case, it is not necessary for the employee to sign the document, but the Human Resources Personnel Officer must certify the information. If audited, the member registration form will indicate in what capacity the employee was hired and the reason why he or she was not enrolled.

## Enrolling and Terminating Members

LASERS receives enrollment and termination information from the following sources:

- LaGov Agencies
- Non-LaGov agencies
  - Monthly Contribution File
  - Employee Self-Service

### LAGOV PAID AGENCIES

Agencies using LaGov must submit enrollment and termination information through this system. LASERS will receive this information in a weekly "HR File" that will download into the LASERS database referred to as SOLARIS (State of Louisiana Retirement Information System). If any errors exist with this enrollment or termination, LASERS will contact the agency to correct the error. Most errors are corrected through LaGov.

## NON-LAGOV PAID AGENCIES

Agencies that do not use LaGov to report information must submit information via one of the following methods:

1. Monthly Contribution file (FTP File)
2. Employer Self-Service (ESS)

### Monthly Contribution Files (FTP Files)

Agencies that submit an FTP file to LASERS on a monthly basis must include any new enrollments or terminations in this file. Once the file is received, the information is downloaded into SOLARIS. If any errors exist with this information, LASERS will contact the agency to correct the error. These issues can be corrected through Employer Self-Service (ESS) or in the next monthly file download.

### Employer Self-Service (ESS)

Agencies that use neither LaGov nor the FTP file to report information to LASERS must enroll and terminate members through ESS. Refer to [Appendix A: How to Enroll and Terminate Members Using ESS](#).



**When enrolling a member, agencies should always complete Form 01-01: Member Registration.**

*This form should be kept in the member's personnel file housed at the agency and is not required to be submitted to LASERS.*

## Member Demographic Information

It is important for a member to maintain accurate demographic information with LASERS. Upon enrollment, member demographic information is submitted to LASERS in the following ways:

1. Agencies using LaGov can submit member demographic information through the weekly HR file.
2. Agencies who submit through monthly contribution files (FTP file) can have their information downloaded into the system when the file is received.
3. Non-LaGov and Non-FTP agencies must submit demographic information through ESS.

Active members are responsible for maintaining all demographic information through their agency. ***This includes address changes, email changes, name changes, and beneficiary changes.*** To change an active member's demographic information, LaGov and FTP agencies must submit the information via LaGov and FTP. Non-LaGov and Non-FTP agencies must submit the change via ESS by accessing Member Maintenance, entering the member's Social Security number, updating the information, and clicking "save". If the active member needs to update his or her beneficiaries, *Form 01-06: Designation of Beneficiary* must be submitted to LASERS, either by the member or the agency.

[Form 01-02: Contact Information Update](#) and [Form 01-07: Change of Name](#) are only to be used by inactive members and retirees. Form 01-07 must be accompanied by a copy of the member's updated Social Security card. Forms submitted without the updated Social Security card will be rejected.

## Frequently Asked Questions

- 1. Does an employee who is hired into a position that is covered by TRSL and has 6.50 years of service credit in LASERS from a previous position have to be enrolled in LASERS?**

No. This employee may elect to join TRSL or elect to remain in LASERS because he or she has at least five years of service credit in LASERS. [Form 01-03: Notice of Membership of Election A](#) would be required if the member elected to remain in LASERS.

- 2. A member works in a position that is covered by LASERS and has 4.50 years of service credit in the system. Due to action taken by the Legislature, this position is now covered by a different retirement system. To what retirement system should this member contribute?**

If the member is transferred into a position covered by Louisiana School Employees' Retirement System (LSERS), Louisiana State Police Retirement System (LSPRS), Teachers' Retirement System of Louisiana (TRSL) or Municipal Employees' Retirement System (MERS), then he or she may elect to remain in LASERS because an action over which the member had no control caused the member to be eligible for a different retirement system. Since the member had at least one year of service credit in LASERS at the time of the change, he or she is eligible to elect to remain a LASERS member. [Form 01-05: Notice of Membership Election C](#) would be required if the member elected to remain in LASERS. The member also has the option to join the other retirement system.

- 3. Is a member who is hired at age 61 in a LASERS eligible position mandated to join LASERS?**

No, membership in LASERS is optional. Because the employee was at least age 60 at the time of hire, the employee may elect to join LASERS, to contribute to Social Security, or to contribute to Louisiana Deferred Compensation.

- 4. A person is hired into a job appointment. The intended duration of the position is three years, and the normal working schedule is 30 hours per week. Should this person be enrolled in LASERS?**

Yes. Because the intended duration of the position is greater than two years and the normal working schedule is greater than 20 hours per week, this member must be enrolled in LASERS.

- 5. An existing member is hired by DEQ as an environmental scientist and is now a dual enrollment member. The member's primary position is with LDH in the Regular Employee Plan (RGL1). Is the member eligible to contribute to LASERS on the secondary position, and if so, in what retirement plan should this member be enrolled?**

If the secondary position is covered by LASERS and the normal working schedule is less than 20 hours per week, then the member must have at least 10 years of service credit in LASERS in order for the secondary position to be eligible for contribution to LASERS. If the normal working schedule for the secondary position is greater than 20 hours per week and the position is covered by LASERS, then the member must be enrolled in LASERS. The member should be enrolled in the same retirement plan in which the primary position is enrolled, which in this example is RGL1.

- 6. An employee is hired who is age 56 and has at least 40 quarters in Social Security. Should this employee be enrolled in LASERS?**

The employee has the option to opt out of LASERS because he or she meets the criteria of being at least age 55 at the time of employment and having at least 40 quarters in Social Security. As long as the employee was able to opt out of LASERS at the time of hire, then the employee may opt back in at any point and is able to purchase the service credit. If choosing to contribute to LASERS, members should be aware that the Windfall Elimination Provision (WEP) may reduce their Social Security benefit if they start receiving a LASERS benefit. To opt back into LASERS, the employee must terminate and then be reemployed.

**7. Can a LASERS member who obtains a secondary position as an adjunct professor be able to report to LASERS on the secondary position?**

*Any person who is a member of LASERS and holds another position as an adjunct professor or instructor may not report to LASERS on the adjunct position. However, members who reported to LASERS on an adjunct position held prior to August 22, 2008 may continue to do so unless there was a break in state service.*

**8. If a member contributed to the Optional Retirement Plan (ORP), terminated, and rehired, then may the member still contribute to the ORP?**

*If the member terminated and did not withdraw his or her funds, then upon re-employment the member has the option to continue contributing to the ORP or elect to join LASERS and transfer the ORP time into LASERS. If the member withdrew his or her funds in the ORP, then the member must contribute as a LASERS member. The previously withdrawn ORP funds cannot be repaid by the member.*

**9. A member is hired into a hazardous duty position and has 10 years of service credit in the Correctional Secondary Plan from a previous position. In which retirement plan should this member be enrolled?**

*This member must elect to join the HAZ Plan or elect to remain in the COR2 Plan. If the member elects to remain in the COR2 plan, then he may still elect to join the HAZ Plan at a later date as long as the decision is made prior to retiring or entering DROP.*

**10. A member was previously in the HAZ Plan and has accepted a non-hazardous duty position. In which plan should the member be enrolled?**

*The member should be enrolled in either the RGL3 Plan or the RGL4 Plan, depending on the member's original enrollment date. Because this member was once in the HAZ Plan, the member is treated as an employee whose first eligibility for membership occurred on or after January 1, 2011.*

**11. A member is hired into a hazardous duty position and joins the HAZ Plan. The member also held a prior LASERS eligible hazardous duty position. Does LASERS need to be informed about the prior hazardous duty position?**

*Yes, the agency should inform LASERS about the previous position by submitting [Form 01-11: Certification of Prior Employment in a Hazardous Duty Position](#).*

**12. A member is hired into a hazardous duty position with no prior service in LASERS. Is the member required to complete [Form 02-18: Hazardous Duty Services Plan Election](#) even though he or she is unable to join any other plan?**

*No, the member does not have to complete [Form 02-18: Hazardous Duty Services Plan Election](#) because the member has no other option but to join the HAZ Plan.*

**13. A member is hired into a hazardous duty position with previous non-refunded service credit in another LASERS plan. Is the member required to join the HAZ Plan?**

*No. The member may elect to remain in his or her current or last plan or join the HAZ Plan even if the agency has no other employees as members of that particular employee's current plan. For example, if an ATC officer were hired by LSU as a campus police officer, then the member could elect to remain in ATCR (even though LSU employs no ATC officers) or join HAZP. Regardless of the member's choice, [Form 02-18: Hazardous Duty Services Plan Election](#) must be submitted to LASERS.*

## Reference Material

### APPLICABLE FORMS

- [01-01: Membership Registration](#)
- [01-02: Contact Information Update](#)
- [01-03: Notice of Membership Election A](#)
- [01-05: Notice of Membership Election C](#)
- [01-06: Designation of Beneficiary](#)
- [01-07: Change of Name](#)
- [01-10: Certification of Membership in a State System Prior to July 1, 2015](#)
- [01-11: Certification of Prior Employment in a Hazardous Duty Position](#)
- [01-12: Enrollment Information](#)
- [02-18: Hazardous Duty Services Plan Election](#)
- [16-01: DPSC Election Agreement Employed Prior to 01-01-02](#)
- [16-02: Department of Public Safety & Corrections Election Agreement Employed Between January 1, 2002, and December 31, 2010, with Other State/Statewide Service Credit](#)
- [SSA-1945: Statement Concerning Your Employment in a Job Not Covered by Social Security](#)

### APPLICABLE AGENCY LIAISON MEMORANDA

- [07-04: Employment Status of LASERS Members](#)
- [08-01: Eligibility in LASERS](#)
- [08-02: LASERS Dual Employment Eligibility](#)
- [10-20: Member Registration Form 1-1 \(ER1\)](#)
- [10-26: Act 992 New Retirement Plan Codes](#)
- [10-27: HAZ Plan Transition Information](#)
- [11-04: DROP and Retirement Eligibility changes for employees covered under provisions of Act 75](#)
- [11-05: Important Act 992 Reminders](#)
- [11-13: HAZ Plan Enrollment Effective Date](#)
- [11-14: LASERS Eligibility for Part-Time Employees](#)
- [11-27: Adjunct Professors](#)
- [14-13: Commission and Board Members Not Eligible for LASERS](#)

- [15-19: Employees Hired After July 1, 2015](#)
- [16-14: Part-Time Employees](#)

### APPLICABLE LAWS

(Note: this list is not exhaustive)

- [La. R.S. 11:148](#) [Membership Age Limitations](#)
- [La. R.S. 11:159](#) [State Superintendents of Education; Commissioner of Higher Education; Participation](#)
- [La. R.S. 11:160](#) [Members Employed in Other Public Employment](#)
- [La. R.S. 11:161](#) [Members Employed in Other State or Public Employment](#)
- [La. R.S. 11:162](#) [Classes of Employees Not Eligible for Membership](#)
- [La. R.S. 11:164](#) [Part-Time Public Officials](#)
- [La. R.S. 11:191](#) [Dual Employment](#)
- [La. R.S. 11:403](#) [Definitions](#)
- [La. R.S. 11:411](#) [Eligibility for Membership](#)
- [La. R.S. 11:412](#) [Membership Service Eligibility](#)
- [La. R.S. 11:413](#) [Classes of Employees Not Eligible](#)
- [La. R.S. 11:415](#) [Termination of Membership](#)
- [La. R.S. 11:417](#) [Members Employed in Other State or Public Retirement](#)
- [La. R.S. 11:551](#) [Eligibility for Membership \(Judges\)](#)
- [La. R.S. 11:555](#) [Membership and Credit; Additional \(Judges\)](#)
- [La. R.S. 11:567](#) [Existing Members of System](#)
- [La. R.S. 11:601](#) [Application; Definitions \(Public Safety Services\)](#)
- [La. R.S. 11:602](#) [Eligibility for Membership \(Public Safety Services\)](#)

- [La. R.S. 11:613](#) [Eligibility for Plan Membership \(Hazardous Duty Plan\)](#)
- [La. R.S. 11:620](#) [Transfer of Other Service Credit](#)
- [La. R.S. 17:1519.16](#) [LSUHSC "Pool" Employees](#)
- [La. R.S. 24:31.5](#) [Legislative Assistants for Members](#)
- [La. R.S. 24:36](#) [Legislators, Certain Legislative Personnel, Governors, Lt. Governors, and State Treasurers](#)
- [La. R.S. 40:2402\(3\)\(a\)](#) [Definition of a Peace Officer](#)
- [26 CFR 31:3121\(b\)\(7\)-2](#) [Types of Employees](#)
- [26 CFR 31:3121\(b\)\(7\)\(F\)](#) [Elected Officials and Election Workers](#)

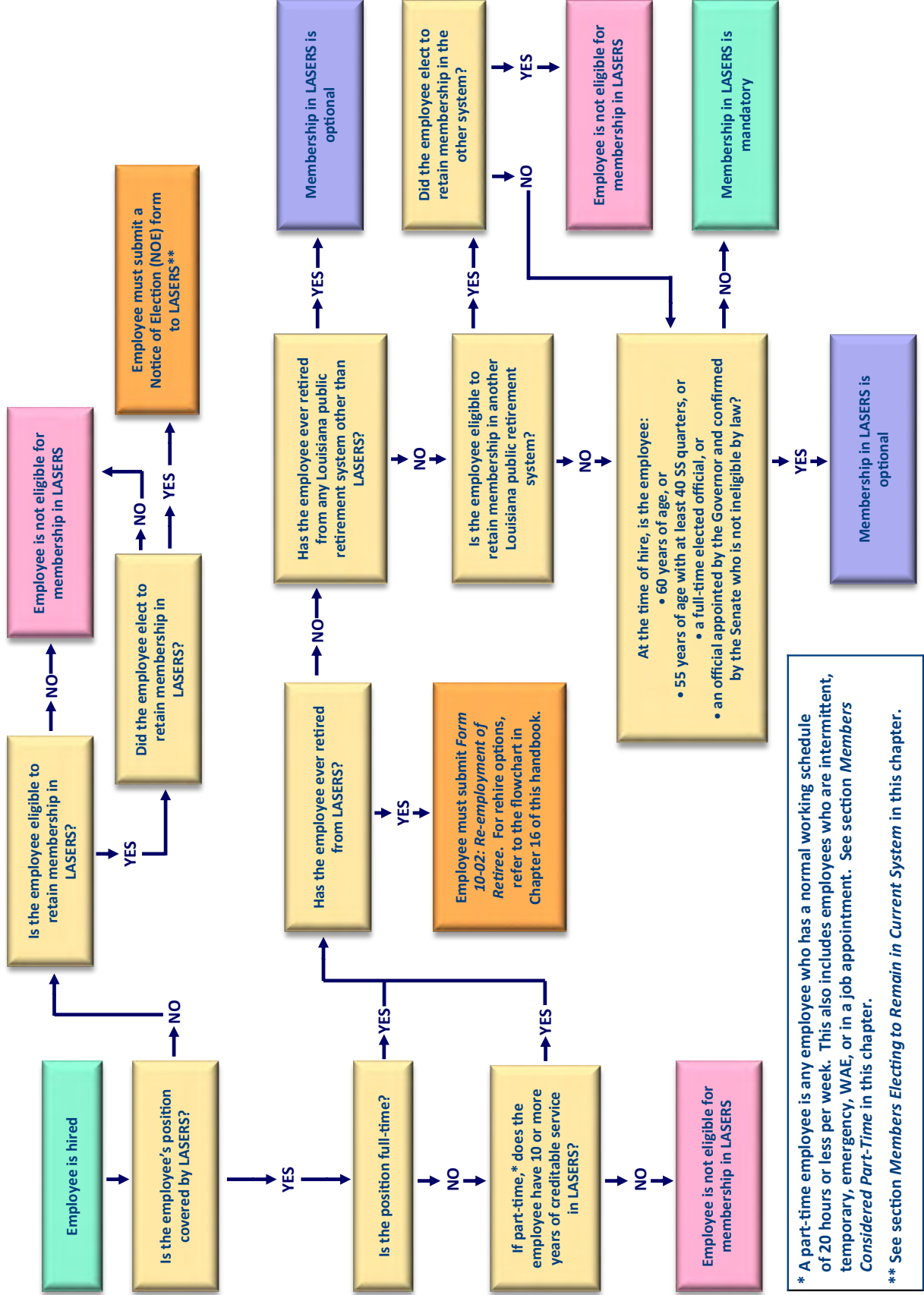
### **APPLICABLE CHAPTERS IN MEMBER'S GUIDE TO RETIREMENT**

- [Chapter 2: General Membership](#)

### **APPLICABLE LASERS VIDEOS**

- [LASERS: Your Retirement System](#)
- [What is Your Retirement Plan & Retirement Eligibility?](#)
- [Social Security Offset \(WEP and GPO\)](#)

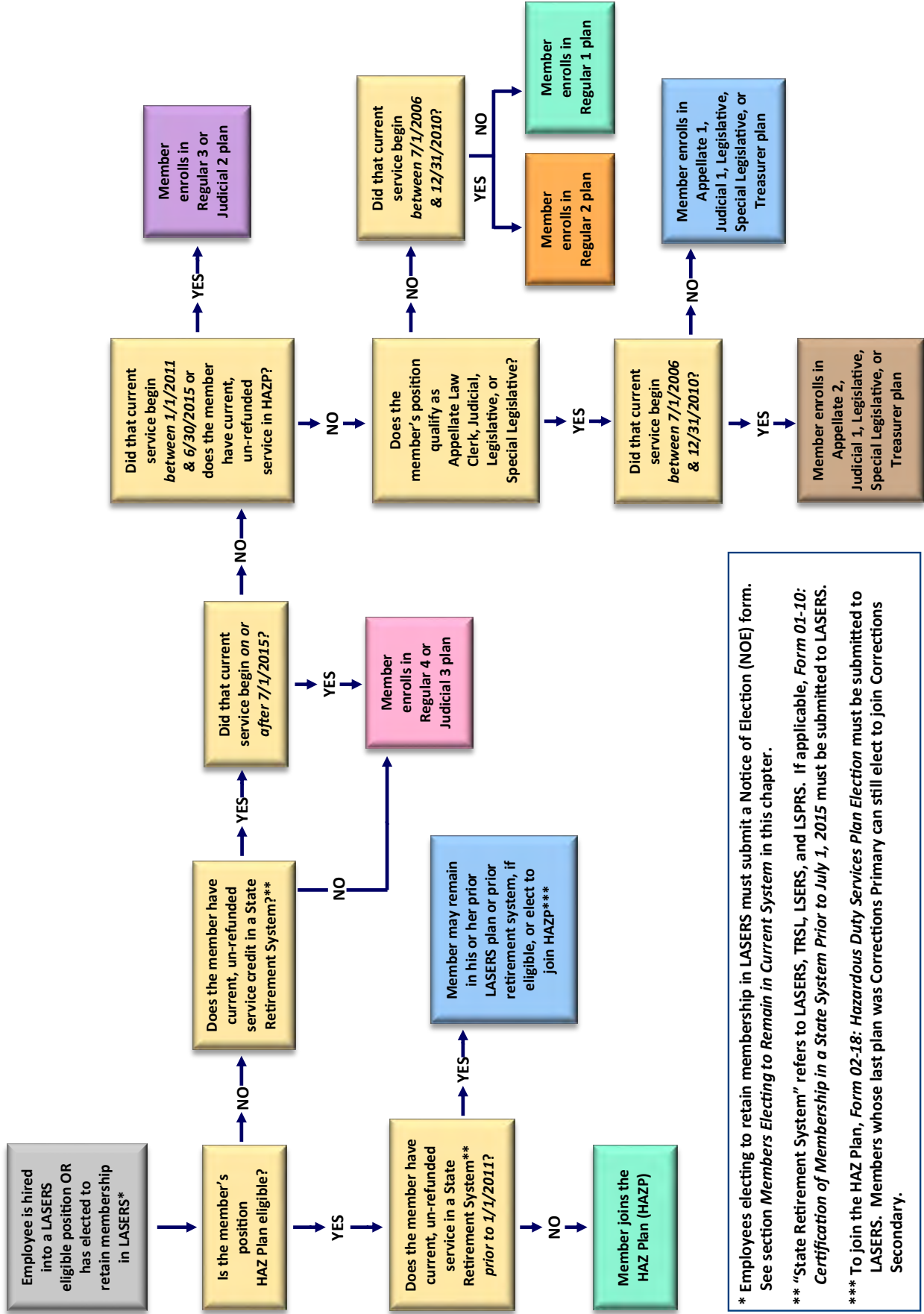
# The Enrollment Process: Determining Eligibility for Membership



\* A part-time employee is any employee who has a normal working schedule of 20 hours or less per week. This also includes employees who are intermittent, temporary, emergency, WAE, or in a job appointment. See section *Members Considered Part-Time* in this chapter.

\*\* See section *Members Electing to Remain in Current System* in this chapter.

# The Enrollment Process: Determining a Retirement Plan



\* Employees electing to retain membership in LASERS must submit a Notice of Election (NOE) form. See section *Members Electing to Remain in Current System* in this chapter.

\*\* "State Retirement System" refers to LASERS, TRSL, LSERS, and LSPRS. If applicable, *Form 01-10: Certification of Membership in a State System Prior to July 1, 2015* must be submitted to LASERS.

\*\*\* To join the HAZP Plan, *Form 02-18: Hazardous Duty Services Plan Election* must be submitted to LASERS. Members whose last plan was Corrections Primary can still elect to join Corrections Secondary.



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## Content

### Overview

#### Service Credit

→ [Eligibility Credit](#)

→ [Computation Credit](#)

#### Calculating Service Credit

→ [Full-Time Employees](#)

→ [Part-Time Employees](#)

#### Calculating Service Credit in Unique Situations

→ [9/10 Month Employee](#)

→ [LSU Retirement System](#)

→ [Leave Without Pay](#)

→ [Workers' Compensation](#)

→ [Family and Medical Leave Act of 1993](#)

#### Base Pay Versus Earnings

→ [Eligible Wage Types](#)

#### Reaching 100% of Final Average Compensation

## Quick Links

### Reference Material

→ [Applicable Agency Liaison Memoranda](#)

→ [Applicable Laws](#)

→ [Applicable Chapters in Member's Guide to Retirement](#)

## Frequently Asked Questions

## Overview

Once an employee has been enrolled in LASERS, he or she will begin paying employee contributions and earning service credit. This chapter outlines how service credit is earned and calculated for members of LASERS.

## Service Credit

A member's service credit amount is the total of all earned, transferred, reciprocated, and purchased service credit that is used to determine his or her eligibility for retirement and used to calculate the member's benefit. There are two types of service credit:

- ❖ Eligibility Credit
- ❖ Computation Credit

### ELIGIBILITY CREDIT

Eligibility credit is the service credit that is used to determine a member's entitlement to benefits provided by LASERS. Basically, eligibility credit is used to determine when a member or survivor is qualified for a retirement benefit. This is based on the eligibility requirements of the plan in which the member is enrolled and the type of benefit for which the member or survivor is applying.

Eligibility credit may also be acquired through purchases such as Air Time or Leave Without Pay (LWOP) time. Eligibility credit is also attained through service credit transferred in from other retirement systems, reciprocal recognition, and repayment of previously refunded service. For more information, refer to [Chapter 5: Purchases, Transfers & Reciprocals](#).



*A member's amount of eligibility credit and computation credit may not always equal one another.*

### COMPUTATION CREDIT

Computation credit is "earned" service credit that is used to compute the amount of the member's benefit. Earned service credit refers to the credit earned by the member while paying employee contributions during employment at a LASERS eligible agency. A member cannot earn computation credit unless contributions are paid to LASERS.

In addition to computation credit that is acquired through earned service, computation credit may be purchased, such as Air Time or Leave Without Pay (LWOP) time. Computation credit is also attained through service credit transferred in from other retirement systems and repayment of refunded service. For more information, refer to [Chapter 5: Purchases, Transfers & Reciprocals](#).

Computation credit is used to calculate a member's benefit, depending upon the type of retirement for which he or she is applying. This would include Regular Retirement, Regular Retirement with an Actuarially Reduced Benefit, Deferred Retirement Option Plan (DROP), Initial Benefit Option (IBO), Disability and Survivor Benefits.

## Calculating Service Credit

A member cannot earn more than one year of service credit (eligibility or computation) for any one calendar year.

### FULL-TIME EMPLOYEES

A full-time employee should earn one year of eligibility credit and one year of computation credit during a calendar year (for the definition of a full-time employee, refer to the section *Types of Employees* in [Chapter 1: Membership & Enrollment](#)). Service credit is calculated by dividing the employee's actual earned compensation (earnings) during the calendar year by his or her yearly full-time base salary. Once calculated, service credit is rounded up to the nearest tenth.

**NOTE:** *Service credit earned by a full-time employee prior to January 1, 1973 is based on the number of days a member worked within each fiscal year. Service credit earned from July 1, 1972 to December 31, 1972 is limited to 0.50 for the year.*

If an employee is a member of two or more retirement plans with different accrual rates in a single calendar year, then the service credit earned in the plan with the higher accrual rate will be rounded up and the service credit in the plan with the lower accrual rate will be rounded down.

**Example:** Shirley was employed as a full-time employee from 1993 until her retirement in 2015. In 2004, her actual earnings were \$41,857.60 and her base salary was \$44,969.56.

$$\text{Actual Earnings} / \text{Base Salary} = \text{Service Credit}$$

$$\$41,857.60 / \$44,969.56 = \mathbf{0.93079}$$

***0.93079 is rounded up to the nearest tenth***  
***0.93079 = 1.00 year of Service Credit***

Therefore, Shirley earned 1.00 year of eligibility credit and computation credit for 2004.

### PART-TIME EMPLOYEES

If a member is a part-time employee, then service credit used for computation purposes is calculated by dividing a member's actual earned compensation during the calendar year by the yearly base salary that the member would have earned had he or she worked as a full-time employee. A part-time employee is defined as any employee who normally works 20 hours or less per week or any employee who is seasonal or temporary. As a part-time employee, the member will not earn a full year of computation credit. However, the member could earn a full year of eligibility credit if he or she worked part-time for **at least 11 months** during the calendar year.

Part-time employment must be verified by the agency. The employing agency will need to verify the time period that the member was considered part-time and the percent of effort provided.

**Example:** Brad was enrolled in LASERS in 2000 as a full-time employee. On January 1, 2012, he changed to part-time status, working 18 hours per week. His actual earnings for 2012 were \$7,300.80 and his yearly full-time base salary was \$16,221.60

Actual Earnings / Base Salary = **Computation Credit**  
 $\$7,300.80 / \$16,221.60 = 0.45006$

***0.45006 is rounded up to the nearest tenth***  
***0.45006 = 0.50 year of Computation Credit***

Brad worked January through December. Since he worked at least 11 months during the calendar year, he will receive ***1.00 year of eligibility credit.***

Therefore, Brad earned 0.50 year of computation credit and 1.00 year of eligibility credit for 2012.

## Calculating Service Credit in Unique Situations

### NINE-MONTH AND TEN-MONTH EMPLOYEES

Nine-month and ten-month employees typically work for universities, schools, and school boards during the school term. These employees may either be full-time or part-time employees. Service credit for full-time nine-month and ten-month employees is calculated in the same manner as service credit is calculated for 12-month full-time employees. If an employee works full time for the entire nine or ten months, then he or she will earn one year of eligibility credit and one year of computation credit.

**NOTE:** *Part-time nine-month or ten-month employees will not receive eligibility credit for an entire calendar year, since they do not work at least 11 months of a calendar year.*

### LSU RETIREMENT SYSTEM

Prior to January 1, 1979, the employees of the institutions belonging to the Louisiana State University System were members of a separate retirement system known as the LSU Retirement System (LSURS). LSURS was divided into two sections known as the Funded System (employees paid contributions) and the Unfunded System (employees did not pay contributions). LSURS merged into both LASERS and TRSL on January 1, 1979.

If a member has unfunded service from July 1, 1971 to December 31, 1978, then it is used only for eligibility service credit in most cases. If a member has funded service from July 1, 1971 to December 31, 1978, then it is used for both eligibility and computation service credit. At the time of retirement, LASERS calculates a benefit for funded and unfunded service based on the formula that was in effect when the service was earned. At retirement, this benefit is added to the member's LASERS benefit. **Members who worked at an LSU System institution prior to January 1, 1979 should contact LASERS for more information regarding their benefits.**

## LEAVE WITHOUT PAY (LWOP)

Members cannot earn service credit for any period of employment while on leave without pay (LWOP), unless the member is collecting workers' compensation during the LWOP period (refer to the section *Workers' Compensation* in this chapter). LaGov agencies are not required to directly report instances of LWOP to LASERS, as this information is transmitted automatically via the file transmission. However, non-LaGov agencies should report instances of LWOP directly to LASERS via [Employer Self-Service \(ESS\)](#).

### Entering LWOP Through ESS

The Human Resources Personnel Officer can report LWOP through [ESS](#) by following these steps:

1. Log into the system and select "Member Maintenance" from the menu (for more information on logging into ESS, refer to [Appendix A: How to Enroll & Terminate Members Using ESS](#)).
2. Enter the member's Social Security number. The member's demographic information will appear on the screen.
3. Scroll down to the "Enrollment Information".
4. Enter the LWOP begin and end dates, the reason for LWOP and any other important information.

### Determining LWOP Dates

**Example 1:** An employee was on LWOP for two hours on January 3, 2015. Therefore, the LWOP begin date in ESS would be January 3, 2015 and the LWOP end date would be January 3, 2015.

**LWOP Begin Date = 01/03/2015**

**LWOP End Date = 01/03/2015**

**Example 2:** An employee was on LWOP for two hours each day from March 8, 2015 to March 19, 2015. Therefore, the LWOP begin date in ESS would be March 8, 2015 and the LWOP end date would be March 19, 2015. In this case, it would not be necessary to enter the LWOP on a daily basis.

**LWOP Begin Date = 03/08/2015**

**LWOP End Date = 03/19/2015**

## WORKERS' COMPENSATION

If a member is collecting workers' compensation and is on LWOP during any time period after September 1, 1989, then he or she shall be granted eligibility service credit for that time period. However, the member **shall not** be granted computation service credit for such time period. **Agencies should notify LASERS in writing of any period of employment in which an employee is on LWOP and receiving workers' compensation.** Members may be able to purchase computation service credit for these periods of employment (for more information, refer to Chapter 5: Purchases, Transfers & Reciprocals).

### FAMILY AND MEDICAL LEAVE ACT OF 1993

While a member is on unpaid family or medical leave (LWOP) under the Family and Medical Leave Act (FMLA), he or she does not earn either type of service credit because no contributions are being paid to LASERS. However, if the member is using accrued sick or annual leave during the FMLA period, then he or she continues to pay retirement contributions, and therefore earns both types of service credit. Members may be able to purchase service credit for these periods of employment on LWOP (for more information, refer to [Chapter 5: Purchases, Transfers & Reciprocals](#)).

## Base Pay Versus Earnings

It is important to distinguish between a member's base pay and earned compensation, or earnings. They are reported differently, but both play an important role in determining a member's service credit. Incorrectly reporting a member's base pay or earnings could result in an incorrect calculation of the member's service credit.

### BASE PAY

The base pay for a full-time employee is the member's annual full-time salary. Regardless of the type of employee, monthly base pay should always be reported to LASERS as **one-twelfth of the member's annual full-time salary**. Monthly base pay should be the same for part-time, nine-month, ten-month, or 12-month employees.

The base pay of employees should be reported monthly as follows:

| Employee Type      | Base Pay                        |
|--------------------|---------------------------------|
| 12-month employee  | 1/12 of annual salary           |
| 10-month employee  | 1/12 of annual salary           |
| 9-month employee   | 1/12 of annual salary           |
| Part-time employee | 1/12 of full-time annual salary |

### Reporting Base Pay for Members with Dual Employment

Occasionally, a member will be employed in a full-time position and a part-time position simultaneously. Typically, the part-time position is with a different agency, but in some situations, it may be a different position within the same agency. When a member is dually employed, the employer of the secondary position should always report the base pay as equal to the earnings. The primary employer will continue to report the base as one-twelfth of the member's annual

full-time salary. This will ensure that service credit is calculated correctly.

**Example:** Tom is dually employed and earns an annual salary of \$35,000 from his primary employer. Therefore, his monthly base pay should be reported as \$2,916.67.

Tom earns \$1,200.00 per month from a secondary (part-time) position. Therefore, his part-time employer should report the base pay as \$1,200.00 to match the monthly earnings.

**Base pay of primary position = \$2,916.67**  
**Base pay of secondary position = \$1,200.00**

### EARNINGS

"Earnings" or earned compensation is the base pay plus certain emoluments earned by an employee for a given time period that is reported to LASERS on a monthly basis. **Regardless of the type of employee, earnings should be reported as the actual amount that an employee earned during the reported time period.**

### Eligible Wage Types

Determining what part of an employee's compensation is retirement eligible can be challenging because there are numerous types of wages that an employee can earn. As a general rule, a wage type is considered retirement eligible if it is considered part of the employee's earned compensation. Emoluments are defined as cash compensation subject to federal and state income taxes, paid to an employee in addition to the employee's salary. They should also be included in the employee's base pay (refer to the section *Base Pay* in this chapter).

Emoluments that are retirement eligible include:

- ❖ Paid housing allowance
- ❖ Car allowances
- ❖ Food allowances
- ❖ Clothing allowances
- ❖ Cell phone allowances

Wage types that should be excluded from an employee's earned compensation are:

- ❖ Overtime pay\*
- ❖ Per diem pay\*
- ❖ Differential pay
- ❖ Payment in kind
- ❖ Premium pay
- ❖ Any other allowance for expenses authorized and incurred as an incident to employment

**NOTE:** *\*Overtime and per diem pay may be included in the reported earnings of employees of the House of Representatives, the Senate, or an agency of the Legislature, Clerk, or Sergeant-at-Arms of the Senate.*

Another criteria to consider is whether the wage type is considered to be "permanent/recurring" or "temporary/non-recurring." Permanent/recurring wage types are considered retirement eligible in most cases, whereas temporary/non-recurring wage types are **not** considered retirement eligible. If there is uncertainty about whether a wage type is retirement eligible, agencies should consult with their legal counsel for determination. LASERS does not have access to employment contracts or agreements, therefore it is difficult for LASERS to make a determination on eligible wage types. LASERS legal counsel is available to consult with an agency's counsel on laws and regulations.

## Reaching 100% of Final Average Compensation

When a member has reached 100 percent of his or her final average compensation, the member will **no longer pay employee contributions** to LASERS. However, the member's employing agency **must continue paying employer contributions** until the member's termination or retirement.

LASERS will notify the agency when a member is near 100 percent of his or her average compensation. The correspondence will include the month in which the member will reach 100 percent and it will instruct the agency to discontinue employee contributions.

If a member continues to work after reaching 100 percent of his or her average compensation, then the benefit at retirement will be calculated the same as if he or she had never stopped contributing. The member's maximum benefit will not exceed his or her final average compensation at the time of retirement.

## Frequently Asked Questions

### 1. A member works part-time at 75% effort in a year. What should the member's monthly base be reported as?

*The member's monthly base should be reported as one-twelfth of the full-time annual salary.*

### 2. Does a part-time employee automatically qualify to receive a full year of eligibility credit for any year worked as a part-time employee?

*No, a member must work at least 11 full months in a calendar year on a part-time basis to receive a full year of eligibility credit.*

### 3. If a member is 100% vested, should the agency still report base pay, earnings, and employer contributions?

*Yes, although the member is 100% vested and no longer pays employee contributions, the agency still must report base pay, earnings, and employer contributions.*

## Reference Material

### APPLICABLE AGENCY LIAISON MEMORANDA

- [07-10: Emoluments](#)
- [08-02: LASERS Dual Employment Eligibilities](#)
- [09-21: Contributions for Furloughed Employees- Unclassified Employees](#)
- [11-27: Adjunct Professors](#)
- [12-23: Retirement Eligibility on Optional Pay](#)
- [13-13: Retirement Eligible Contributions and Wage Types](#)
- [13-16: Enrollment in LASERS for a Part-Time, Intermittent, Temporary, Emergency, WAE and Job Appointment Employees](#)
- [13-19: Selecting a Retirement Date](#)
- [13-24: Reporting Leave Without Pay \(LWOP\)](#)
- [16-14: Part-Time Employees](#)
- [16-28: Reporting Base Pay for Members with Dual Employment](#)
- [17-02: Payment of Leave for Certain Unclassified Officials](#)

### APPLICABLE LAWS

(Note: this list is not exhaustive)

- [La. R.S. 11:145](#) [Creditable Service of Certain Elected Officials](#)
- [La. R.S. 11:146](#) [Credit for Certain Louisiana State University Service](#)
- [La. R.S. 11:147](#) [Elected Public Officials Serving Less Than a Full Term of Office Because of the 1974 Constitution of Louisiana](#)
- [La. R.S. 11:151](#) [Workers' Compensation Benefits; Employee and Employer Contributions to Continue](#)
- [La. R.S. 11:163](#) [Credit for Involuntary Furlough; Credit for Leave Without Pay](#)
- [La. R.S. 11:163.1](#) [Voluntary or Involuntary Furlough; Service Credit; Continuation of Contributions](#)
- [La. R.S. 11:164](#) [Part-Time Public Officials](#)
- [La. R.S. 11:191](#) [Dual Employment](#)
- [La. R.S. 11:421](#) [Computation of Service](#)
- [La. R.S. 11:422](#) [State Service for Which Credit Has Not Been Received](#)
- [La. R.S. 11:423](#) [State Service for Which Credit Has Not Been Received Due to Administrative Error](#)

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

- [Chapter 4: Service Credit](#)



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## Content

### Overview

#### How Are Contributions Reported?

- [File Transfer Protocol \(FTP\)](#)
- [Employer Self-Service \(ESS\)](#)

#### How Are Contributions Remitted?

- [Employer-initiated Bank Transfer](#)
- [Automated Clearing House](#)

#### When Are Contributions Submitted?

- [Delinquent Payments](#)
- [Calendar Year-End Reporting](#)

#### Annual Employer Contribution Rates

#### Common Reporting Issues

#### Retroactive Payments vs. Administrative Errors

#### Reporting Contributions on Military Differential Pay

#### Liaison Memoranda

#### Updating Agency Contact Information

## Quick Links

### Reference Material

- [Applicable Forms](#)
- [Applicable Agency Liaison Memoranda](#)
- [Applicable Laws](#)
- [Applicable LASERS Documents](#)

## Frequently Asked Questions

## Overview

This chapter outlines how employing agencies report contributions to LASERS. Every agency that employs eligible members of LASERS must submit a certified monthly retirement report. The accurate reporting of information is important because it is used to determine when members can retire and the amount of their retirement benefit. LASERS depends on each agency to properly report each member's earnings and contributions. The inaccurate reporting of a member's name, address, Social Security number, or contributions may cause a delay in benefit payments.

## How Are Contributions Reported?

Contributions are reported monthly to LASERS by employing agencies. The monthly retirement report should include earned compensation of all employees who were paid during the period reported, the monthly base pay of the employee, and individual employee and employer contributions. Contributions are reported through two electronic systems:

- ① File Transfer Protocol (FTP)  
or
- ② Employer Self-Service (ESS)

### **FILE TRANSFER PROTOCOL (FTP)**

LaGov and Non-LaGov agencies may report contributions to LASERS through the FTP process. It is important that agencies ensure that the FTP file conforms to the correct reporting requirements. To ensure proper layout of the FTP file, visit [www.lasersonline.org](http://www.lasersonline.org) to view the "FTP File Layout Guide for SOLARIS (State of Louisiana Retirement Information System)" under the "Employers" section.

### **EMPLOYER SELF-SERVICE (ESS)**

For agencies reporting through ESS, visit [www.lasersonline.org](http://www.lasersonline.org) to view the "Self-Service Contribution Reporting Guide" under the "Employers" section. This user guide is designed to give agencies step-by-step direction in submitting employee and employer contributions to LASERS.

## How Are Contributions Remitted?

Along with the monthly reporting, contributions are remitted monthly to LASERS by employing agencies. Contributions are remitted by:

- ① Employer-initiated Bank Transfer  
or
- ② Automated Clearing House (ACH)

### EMPLOYER-INITIATED BANK TRANSFER

An agency may remit contributions to LASERS through an employer-initiated bank transfer known as the Electronic Funds Transfer (EFT). An agency that remits contributions through the EFT process will initiate the electronic contribution payment to LASERS. Initiating the payment authorizes the agency's bank to send the money directly to the LASERS bank account. This process may involve bank fees.

### AUTOMATED CLEARING HOUSE (ACH)

Automated Clearing House is a contribution payment method primarily used by agencies that remit through ESS. Unlike the EFT process, the payment is initiated by LASERS. The agency must report contributions through ESS. Once the report is received, LASERS will set up the direct withdrawal from the agency's bank account. There are no fees involved with this process.

For LASERS to initiate the process, [Form FIS: Agency Authorization for Direct Withdrawal](#) must be submitted by the agency. This form is submitted once, when an agency is set up to report through ESS. An updated form would only be required when there are changes to any account information.



*The EFT payment process may involve bank fees, while the ACH payment process does not.*

## When Are Contributions Submitted?

Employee contributions (EEs) and Employer contributions (ERs) are reported to LASERS on a monthly basis. By law, all monthly reports and contribution payments **must be submitted within 15 days after the close of each calendar month.**

### DELINQUENT AGENCY PAYMENTS

If an agency's monthly reports and contribution payments **are not received timely**, then the contributions will be considered delinquent and will be subject to interest from the date the payments became delinquent. LASERS will calculate and bill agencies for interest payments. Delinquent reporting can cause a delay in a member receiving his or her first monthly retirement check, a refund of contributions, or the proper service credit at the end of each calendar year.

If an agency does not report contributions for a single member in a timely manner, an administrative error may occur. Refer to the section *Retroactive Payments Versus Administrative Errors* in this chapter.

### CALENDAR YEAR-END REPORTING

While it is extremely important for agencies to report contributions timely every month, it is even more critical at the end of each year. LASERS distributes a Liaison Memorandum in November of each year to remind agencies of the importance of closing out the year in a timely manner. Without all earnings and contributions reported, members will receive incomplete and/or inaccurate annual statements, which can affect retirement calculations.

## Annual Employer Contribution Rates

Employer contribution rates change every fiscal year. These rates are determined each year based on an actuarial formula and are approved by the Public

Retirement Systems' Actuarial Committee (PRSAC). Once approved, these rates must be used to calculate employer contributions submitted to LASERS beginning in the July reporting period. This includes payrolls with a check date of July, regardless of when earned. LASERS issues a Liaison Memorandum each year once the rates are approved. This memorandum includes a chart that lists the updated employer contribution rates by retirement plan.

### HISTORICAL CONTRIBUTION RATES

Occasionally, agencies need to access employer contribution rates from previous fiscal years. These historical employee and employer contribution rates are organized by retirement plan and can be found on the LASERS website at [www.lasersonline.org](http://www.lasersonline.org) in the document "Historic Agency Contribution Rates," located in the Employer section of the website.

## Common Reporting Issues

There are a few common errors that can occur when contributions are reported. The most common errors are reporting contributions at an incorrect contribution rate, incorrect retirement plan, omitting employees, reporting employees in error and reporting base pay incorrectly. When reporting errors occur, an **exception** is created on the member's account. The most common exception is created when contributions do not match earnings reported by the agency.

When an exception is created, LASERS sends correspondence to agencies to alert them to the problem. Agencies should resolve the issue within 30 days. ESS agencies will see an error message when submitting the monthly contribution report, but these exceptions will not stop the submission of the report. If the issue is not resolved, it can affect a member's annual statement, benefit calculations, service credit, and refund of contributions.

### VIEWING EXCEPTIONS THROUGH ESS

Exceptions on a member's account can be viewed through ESS. Once an agency logs into the ESS system, agencies should select "Employer Inquiry" and enter the member's Social Security number. All Member Services and Fiscal Exceptions that exist on a member's record will be listed.

A detailed description of exceptions can be found in Appendix B of the "Self-Service Contribution Reporting Guide" located at [www.lasersonline.org](http://www.lasersonline.org).

## Retroactive Payments Versus Administrative Errors

Due to reporting issues, agencies may need to submit payments for members for previous months. It can sometimes be difficult to determine when payments are considered a retroactive payment or an administrative error.

### RETROACTIVE PAYMENTS

Retroactive payments occur when a lump sum of contributions for a single member is reported within 12 months of determining the reporting issue. In cases where a lump sum is reported, agencies should correctly calculate the member's employee and employer contributions due based on the rate in effect for the retroactive months. To ensure that contributions are allocated correctly, agencies should submit documentation to LASERS showing a month-by-month breakdown.

### Reporting Adjustments Through ESS

The "Pay Adjustment" feature in ESS is a method that allows agencies to report and correctly allocate retroactive payments made to members. These adjustments are considered retroactive payments and can be made within the previous 12 reporting months. For more information on how to report adjustments through ESS, view the "Self-Service Contribution Reporting Guide" found at [www.lasersonline.org](http://www.lasersonline.org).

### ADMINISTRATIVE ERRORS

Administrative errors occur when a lump sum of contributions for a single member is reported beyond one year. When an administrative error occurs, the member's employee and employer contributions must be paid along with compounded interest. Refer to the section *Administrative Errors* in Chapter 5: Purchases, Transfers & Reciprocals.

## Reporting Contributions on Military Differential Pay

While a member is on military leave under the provisions of the Uniformed Services Employment and Reemployment Rights Act (USERRA), he or she may elect to remit contributions to LASERS. If this option is not chosen, then the member can elect to purchase the military leave. Whether a member elects to remit contributions or to purchase the leave, the member's contributions or purchase cannot currently exceed a combined five years of service credit. For more information on USERRA Military Leave Purchases and Non-USERRA Military Leave Purchases, refer to [Chapter 5: Purchases, Transfers & Reciprocals](#).

The right to remit contributions is extended to members of a uniformed service who performed duty on a voluntary or involuntary basis, including:

- ❖ Active duty
- ❖ Active duty for training
- ❖ Initial active duty for training
- ❖ Inactive duty training
- ❖ Full-time National Guard duty
- ❖ Absence from work for an examination to determine the member's fitness for any of the above types of duty
- ❖ Funeral honors duty performed by National Guard or reserve members
- ❖ Duty performed by intermittent employees of the National Disaster Medical System (NDMS), which is part of the Department of Homeland Security – Emergency Preparedness and Response Directorate (FEMA), when activated for a public health emergency or approved training to prepare for such service

The uniformed services consist of the following:

- ❖ Army, Navy, Marine Corps, Air Force, and Coast Guard
- ❖ Army Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve, and Coast Guard Reserve
- ❖ Army National Guard or Air National Guard
- ❖ Commissioned Corps of the Public Health Service
- ❖ Any other category of persons designated by the President of the United States in time of war or emergency

If a member elects to remit contributions while on military leave, these contributions are considered "differential pay" and are not submitted through LaGov. The contributions must be submitted by the member directly to his or her agency. The agency will then remit the employee and employer contributions to LASERS. Since these contributions are not reported through LaGov, the agency must submit documentation with the funds, by submitting either a letter or LASERS [Form 02-06: Application for Purchase of Military Service](#). The employee's share of contributions must be submitted as non-tax sheltered (after-tax contributions) and will be posted to the member's LASERS account as non-tax sheltered.

## Liaison Memoranda

Liaison Memoranda are issued by LASERS to notify agencies of important updates and information. These updates may include changes to employer contributions, DROP interest rates, training sessions throughout the state, changes to law, and changes to retirement plans.

### SUBSCRIBING

It is strongly encouraged that the Human Resources Liaison and Personnel Officers subscribe to Liaison Memoranda. When a Liaison Memorandum is issued, it is distributed to agencies through this subscription. To subscribe to liaison memos:

- ① Visit [www.lasersonline.org](http://www.lasersonline.org)
- ② Click on the “Employers” link
- ③ Select “Liaison Memoranda”
- ④ Select “Liaison Memo Subscription” from the menu
- ⑤ Complete important information and click “Submit”

### ARCHIVED LIAISON MEMOS

When a Liaison Memorandum is issued, it is archived on the LASERS website for agencies to view. To access archived memos:

- ① Visit [www.lasersonline.org](http://www.lasersonline.org)
- ② Click on the “Employers” link
- ③ Select “Liaison Memoranda”
  - The current year and last year are viewable from this screen
  - Click “Archives” to view previous years

## Updating Agency Contact Information

When a contact changes within an agency, it is important to communicate this change with LASERS. All updates to liaison contact information must be made through ESS.

LASERS recommends that all agencies review their contacts once a quarter and make any necessary updates. The following contact types must be kept on file and up-to-date for agency contribution and financial reporting purposes:

- Payroll Coordinator – the person who reports the contributions to LASERS each month (for LaGov agencies, it should be someone who is familiar with the contributions reported to LASERS)
- HR Liaison – someone who can serve as a back-up to the Payroll Coordinator in the event that he or she is out of the office
- Agency Director
- Chief Financial Officer

To update contact information:

- ① Log into [Employer Self-Service \(ESS\)](#)
- ② Click on the “Employer Maintenance”
- ③ Click the “Next” button to go to the appropriate Contact Type
- ④ Update Contact information and click “Save”

## Frequently Asked Questions

### 1. When should contributions be remitted to LASERS?

Contributions must be remitted to LASERS within 15 days after the close of each calendar month. The monthly report should be submitted within the same period.

### 2. What is the difference between the contribution report and contribution remittance?

The contribution report contains information regarding all employees who were paid during the period reported. The contribution remittance is the actual payment of contributions that LASERS receives.

### 3. When do contribution rates change?

Once approved by PRSAC, employer contribution rates change on July 1.

### 4. How is delinquent interest calculated?

It is calculated using judicial rates of interest based on the later of the report or full remittance submission.

### 5. How can an agency update liaison contact information?

Liaison contact information can only be updated through ESS.

### 6. Once a Liaison Memorandum is issued, can it be viewed again for future reference?

Yes, all liaison memoranda can be found at [www.lasersonline.org](http://www.lasersonline.org). Agencies can view memos archived as far back as 2006.

## Reference Material

### APPLICABLE FORMS

→ FIS: [Agency Authorization for Direct Withdrawal](#)

### APPLICABLE AGENCY LIAISON MEMORANDA

→ 13-24: [Reporting Leave Without Pay \(LWOP\)](#)

→ 15-12: [Updating Agency Contact Information in ESS](#)

### APPLICABLE LAWS

(Note: this list is not exhaustive)

→ [La. R.S. 11:62](#) [Employee Contribution Rates Established](#)

→ [La. R.S. 11:104](#) [Employer Contributions; Determination Date; Notification](#)

→ [La. R.S. 11:121](#) [Creation; Purpose](#)

→ [La. R.S. 11:122](#) [Committee; Membership](#)

→ [La. R.S. 11:151](#) [Workers' Compensation Benefits; Employee and Employer Contributions to Continue](#)

→ [La. R.S. 11:154](#) [Tax Sheltering of Employee Contributions to Retirement](#)

→ [La. R.S. 11:281](#) [Failure to Timely Remit Contributions; Effect](#)

→ [La. R.S. 11:531](#) [Monthly Retirement Report; Employer and Employee Contributions](#)

→ [La. R.S. 11:538](#) [Termination of Contributions; Benefits](#)

→ [La. R.S. 11:540](#) [Unclaimed Funds, Checks, and Property; Retention by System](#)

→ [La. R.S. 11:541](#) [Payment of Contributions; Delinquency; Agreement of Deductions](#)

### APPLICABLE LASERS DOCUMENTS

→ [Self-Service Contribution Reporting Guide](#)

→ [FTP File Layout Guide for SOLARIS](#)

## Content

[Overview](#)

[The Application Process](#)

[Emergency Refunds](#)

[Reporting Termination Dates](#)

[Ramifications of Accepting a Refund](#)

[Income Taxes](#)

## Quick Links

[Form 02-01: Refund of Accumulated Contributions](#)

### Reference Material

- [Applicable Forms](#)
- [Applicable Agency Liaison Memoranda](#)
- [Applicable Laws](#)
- [Applicable Chapter in Member's Guide to Retirement](#)

## Frequently Asked Questions

## Overview

Members who have terminated from state service may be eligible for a refund of their accumulated contributions in the retirement system. Accumulated contributions include all employee contributions paid by a member, excluding interest paid on the repayment of a refund. All funds paid to purchase Air Time are considered “accumulated contributions” and will be included in the refund. Employer contributions and interest earned on contributions are not refunded.

**NOTE:** *Members who transfer from one state agency to another or from one division to another within a state agency do not qualify for a refund of contributions.*

## The Application Process

A member can apply for a refund of contributions upon separation from all state employment; however, he or she must remain out of state service for at least 30 calendar days before the application can be processed. To apply, the member must submit [Form 02-01: Refund of Accumulated Contributions](#) to LASERS. **This form does not need to be certified by the agency.** Along with Form 02-01, the member must provide a copy of his or her Social Security card to LASERS. The name on the Social Security card must match the name on the refund application. These documents may be mailed, faxed, or delivered to LASERS. Applications are processed once LASERS has received all necessary documents and all of the member's contributions have been received. Most refunds are paid within 60 days of receipt of the necessary documents.

**NOTE:** *LASERS will not accept refund applications that are submitted prior to the member's date of separation.*

## Emergency Refunds

Refunds of accumulated contributions may be made in less than 30 calendar days from the date of separation in situations deemed to be emergencies. To qualify for an emergency refund, a member must be separated from all state service and meet one of the following criteria:

- ❖ **Loss of member's home** - member must provide an eviction notice or foreclosure notice that has been filed in court.
- ❖ **Loss of member's vehicle** - member must provide a repossession notice that has been filed in court.
- ❖ **Medical expenses** – member must prove that he or she has \$2,000 or more of outstanding medical bills for which the member is liable and will not be paid by an insurance carrier.
- ❖ **Death of a member** – if a member dies after submitting a refund request but before it is processed, then his or her family may request prioritization by providing a copy of the member's death certificate. However, the refund check will be made payable to the member. Alternately, the member's family has the option to apply for survivor benefits (for more information, refer to Chapter 6: Survivor Benefits).

A member who is eligible for an emergency refund of contributions must submit [Form 02-02: Emergency Refund Request](#) to LASERS along with any supporting documentation. Applications submitted prior to the date of separation will not be accepted. In addition, if a member is transferring from one state agency to another or from one division to another within the same agency, then he or she **does not qualify** for an emergency refund.

All emergency refund requests are approved by the Executive Director of LASERS or their designee on a case-by-case basis. Once approved, the amount of the current contributions posted to the member's account will be distributed based on the method of distribution chosen on [Form 02-02: Emergency Refund Request](#). A member can select to have the funds directly deposited into his or her account or directly rolled over into a qualified plan.

If additional contributions post after the refund has been issued, then a second payment will be issued to the member.

If a member does not qualify for an emergency refund, then his or her application will be treated as a regular refund application. For more information, refer to the section *The Application Process* in this chapter.

**NOTE:** A member is limited to one emergency refund in a lifetime. A member will not be eligible for another emergency refund if he or she returns to active membership with LASERS and later terminates employment.

## Reporting Termination Dates

When a member separates from state service, it is important that the agency report the termination date through LaGov or [Employer Self-Service \(ESS\)](#). LASERS uses this information to verify that a member has been terminated and that all contributions have been reported. If LASERS is unable to verify a termination date, an email will be sent to the agency for confirmation.

## Ramifications of Accepting a Refund

Members should be aware of the ramifications of accepting a refund. Acceptance of a refund of accumulated contributions automatically cancels all of a member's service credit in LASERS. A member forfeits all prior service credit, military service, and purchased service credit as well as eligibility credit for the period refunded. In other words, a refund cancels the member's membership in the system and renders him or her ineligible for benefits. If a former member returns to work in a LASERS eligible position, then he or she will be enrolled in the retirement plan available at the time of re-entrance into the system (for more information on enrollments, refer to [Chapter 1: Membership and Enrollment](#)).

Upon returning to active state service, the member is eligible to repay the refunded time after he or she has 18 months of non-refunded service credit on record with LASERS. Members should be aware that in order to restore previously refunded time, they will have to pay back the refunded employee contributions plus interest, which may be costly (for more information on repayments of refunds, refer to [Chapter 5: Purchases, Transfers & Reciprocals](#)).

## Income Taxes

Contributions that were sheltered from income taxes (contributions paid after December 31, 1983) are subject to federal income taxes when refunded, unless the sheltered contributions are rolled over into a qualified retirement plan, such as an IRA or deferred compensation account. If not rolled over, these funds are subject to a mandatory 20 percent federal income tax withholding. The funds are exempt from Louisiana state income taxes. If the member resides in another state, then the member would be subject to that state's laws.

## Frequently Asked Questions

### 1. Is a member allowed to borrow from contributions or pledge contributions against a debt?

*No, a member is not allowed to borrow from contributions or pledge contributions against a debt. A member may apply for a full refund of contributions only after separation from state service.*

### 2. Is the member allowed to refund only a portion of his or her contributions?

*No, a member can only receive a full refund of contributions.*

### 3. Can members receive a refund of contributions in a situation of an emergency?

*Yes, members can apply for an emergency refund, but must meet certain criteria. The member must be separated from state service. A refund cannot,*

*under any circumstance, be submitted to an active state employee. [Form 02-02: Emergency Refund Request](#) should be submitted to LASERS, and it must be approved by the LASERS executive director or designee.*

## Reference Material

### APPLICABLE FORMS

- [02-01: Refund of Accumulated Contributions](#)
- [02-02: Emergency Refund Request](#)
- [02-16: Request Research of Refundable Contributions](#)

### APPLICABLE AGENCY LIAISON MEMORANDA

- [13-27: Refund of Accumulated Contributions Process](#)

### APPLICABLE LAWS

(Note: this list is not exhaustive)

- [La. R.S. 11:403\(23\) Definitions](#)
- [La. R.S. 11:537 Refund of Contributions; Application, Payment, Effect, Repayment to System; Restoration of System](#)
- [LAC 58.I.113 Rollover of Refunds](#)
- [LAC 58.I.1301 Conditions Giving Rise to an Emergency Refund](#)
- [LAC 58.I.1303 Procedure for an Emergency Refund](#)
- [LAC 58.I.1305 Responsibility for Overpayment of a Refund](#)

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

- [Chapter 5: Refund of Contributions](#)



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## Content

### Overview

#### Purchases of Service Credit

- [The Application Process](#)
- [The Payment Process](#)

#### Non-Actuarial Purchases

- [Repayment of Refunded Contributions](#)
- [Uniformed Services Employment and Reemployment Rights Act \(USERRA\)](#)

#### Actuarial Purchases

- [Administrative Errors](#)
- [Air Time](#)
- [Federal Service Credit](#)
- [Full-Time, In-State Service Credit](#)
- [Furloughs and LWOP](#)
- [Prior Service for Legislators, Certain Legislative Personnel, Governors, Lieutenant Governors, and State Treasurers](#)
- [Military Not Under USERRA](#)
- [Optional Retirement Plan \(ORP\) Transfers](#)

#### Transfers and Reciprocals from Other Retirement Systems

#### Submitting a Breakdown of Contributions

## Frequently Asked Questions

## Reference Material

## How-To Guide: LASERS Form 02-10B

## Overview

Service credit is earned for time that a member works in a LASERS-eligible position and pays contributions to the system. A member may be able to purchase additional service credit, transfer service credit to LASERS, or apply for a reciprocal agreement if he or she has time in more than one state, municipal or parochial retirement system in Louisiana. By purchasing service credit or transferring service credit to LASERS, a member can potentially increase the amount of his or her retirement benefit, or retire at an earlier date (if eligibility credit is purchased). By having a reciprocal agreement recognized between two or more systems, a member can potentially reach retirement eligibility sooner and retire at an earlier date.

## Purchases of Service Credit

There are two types of service credit purchases: non-actuarial and actuarial. Non-actuarial purchases are calculated by LASERS. Actuarial purchases are calculated by the LASERS system actuary and require a fee for the calculation. Members are eligible to purchase time for the following reasons:

- ❖ Full-time state service was worked, but no service credit was received
- ❖ Service credit was denied due to an administrative error
- ❖ Service credit was not received due to leave without pay
- ❖ Furlough time
- ❖ "Air Time" purchase
- ❖ Uniformed Services Employment and Re-employment Rights Act (USERRA)
- ❖ Military Service not under USERRA
- ❖ National Guard, Coast Guard, and Reserve Forces Credit
- ❖ Service credit based on time worked in a federal position

Members may purchase a maximum of five combined years of service credit for time in which they did not work and contribute to LASERS. This limit applies to the purchases of "Air Time" and service credit for furloughs and leave without pay (LWOP). The limit does not apply to any other purchases. Members are unable to purchase credit for any period in which they already have LASERS service credit. Furthermore, members cannot obtain more than one year of service credit for any one calendar or fiscal year.

All purchases of service credit must be initiated and completed prior to the member's retirement. Purchases of service credit may be made before or during Deferred Retirement Option Plan (DROP) participation or while working after DROP, with the exception of Federal Service Credit purchases. Federal Service Credit can only be purchased before entering DROP or while working after DROP participation.

Purchases of service credit made prior to entering DROP will be included in the DROP benefit calculation. If a member purchases service credit while participating in DROP or while working after DROP, then the purchased service credit shall only count toward the supplemental portion of the member's benefit and would not count towards the DROP benefit or the DROP account.

### THE APPLICATION PROCESS

Members who are considering purchasing service credit should submit the appropriate application, along with any required actuarial fees and all necessary documents to LASERS. For all actuarial purchases, LASERS will forward the information to the system actuary for calculation once all necessary documents and the actuarial fee have been received. For non-actuarial purchases, LASERS will calculate the cost after all necessary documents have been received. Once the cost has been determined, LASERS will send an invoice to the member. The member is under no obligation to complete the purchase. This process is similar for agencies requesting administrative errors (for more information, refer to the section *Administrative Errors* in this chapter).

**NOTE:** LASERS highly recommends that members considering retirement request an invoice for purchases at least six months in advance of their anticipated retirement date.

### Actuarial Fees

Many purchases of service credit and administrative errors require that the member or agency pay a non-refundable actuarial calculation fee. This fee may be paid by personal check, cashier's check or money order made payable to LASERS. The payment should always accompany the member's application or the agency's administrative error memorandum. The system actuary will calculate the cost for any actuarial purchases based on the specific circumstances of the member.

### THE PAYMENT PROCESS

Once a member has decided to purchase service credit, the payment must be made in full prior to the expiration of the invoice. The cost cannot be paid in monthly installments. If the invoice expires, then the member must reapply and pay an additional actuarial calculation fee, if appropriate, in order to obtain a new invoice. All payments must be paid in a lump sum by any combination of personal checks, cashier's checks, certified checks, money orders, and rollovers from qualified accounts. A copy of the invoice must accompany all payments.

If the member rolls over funds to LASERS from a qualified account, then [Form 02-13: LASERS Acceptance Letter of Rollover of Assets](#) must be completed by an authorized agent of the financial institution that is remitting the payment and submitted to LASERS. LASERS **will not** accept a financial institution's direct rollover form in lieu of Form 02-13; however, a letter from the financial institution verifying the information on Form 02-13 is acceptable.

## Non-Actuarial Purchases

Non-actuarial purchases are calculated at LASERS. Depending upon the purchase, the calculation will include employee and employer contributions and interest, if applicable.

Non-Actuarial Purchases include:

- ❖ Repayments of Refunded Service Credit
- ❖ Uniformed Services Employment and Reemployment Rights Act (USERRA) purchases

### REPAYMENT OF REFUNDED CONTRIBUTIONS

A member may choose to repay refunded contributions in order to obtain service credit for a period of time previously refunded. In order to repay a refunded period of service, one of the following criteria must be met:

- A member, whether active or inactive, must have a minimum of 18 months of non-refunded contributions on record with LASERS.
- A former member can repay a refunded period of service for the sole purpose of transferring the service into another system.

**NOTE:** LASERS will provide up to three invoices within a 12-month period at no cost. Each additional invoice within a 12-month period is subject to a \$75.00 non-refundable calculation fee.

### Repayments by Active or Inactive Members

A member who has a minimum of 18 months of non-refunded contributions with LASERS, may repay a refund at any time prior to retirement. To restore prior service credit, a member must pay the refunded amount (employee contributions) plus the actuarially assumed rate of interest compounded annually from the date of the refund until the payment is made. A

member may choose to repay the full or a partial amount of the refunded period. If a member chooses to repay a partial amount of a refunded period, then the refunded service credit must be repaid in calendar year increments beginning with the most recent year of the refunded period.

*Form 02-11: Application for Repayment of Refunded Service* must be submitted to LASERS. Processing can take up to six weeks. LASERS highly recommends that members apply several months prior to the date needed.



*Members with a **Member Self-Service** account may use the repayment calculator tool to obtain **an estimate** of the cost to repay contributions by visiting the LASERS website, [www.lasersonline.org](http://www.lasersonline.org).*

### Repayments by Former Members

Former members of LASERS may apply to repay refunded contributions in order to transfer the service credit to another Louisiana state, municipal, or parochial retirement system or to establish a reciprocal agreement between LASERS and the other system (for more information on establishing a reciprocal agreement, refer to the section *Reciprocal Recognition* in this chapter). If the refunded period is repaid with the intent to transfer into or reciprocate with another Louisiana retirement system and the transfer or reciprocal does not occur, then payment in full will be returned to the applicant and no service credit or contributions will remain in LASERS.

*Form 02-12: Application for Repayment of Refunded Service to Reciprocate/Transfer* must be submitted to LASERS. Processing can take up to six weeks. LASERS highly recommends that members apply several months prior to the date needed.

## UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA) PURCHASES

The Federal Law known as USERRA applies to purchases of service credit for active military time served after August 1, 1990. While on military leave under USERRA, a member may elect to remit contributions to LASERS (for more information, refer to [Chapter 3: Contribution Reporting](#)). If this option is not exercised, then the member can elect to purchase the military leave upon re-employment. For more information on the timeline of the purchase, refer to the section *Members Electing to Purchase Military Leave Under USERRA* in this chapter.

Whether a member elects to remit contributions or to purchase the leave, the member's contributions or purchase cannot exceed a combined five years of service credit. This does not include military service purchases that are not under USERRA (for more information, refer to the section *Military Service Purchases Not Under USERRA* in this chapter).

The right to remit contributions or to purchase service under USERRA is extended to members of a uniformed service, who performed duty on a voluntary or involuntary basis, including:

- ❖ Active duty
- ❖ Active duty for training
- ❖ Initial active duty for training
- ❖ Inactive duty training
- ❖ Full-time National Guard duty
- ❖ Absence from work for an examination to determine the member's fitness for any of the above types of duty
- ❖ Funeral honors duty performed by National Guard or reserve members
- ❖ Duty performed by intermittent employees of the National Disaster Medical System (NDMS), which is part of the Department of Homeland Security – Emergency Preparedness and Response Directorate (FEMA), when activated for a public health emergency or approved training to prepare for such service

The uniformed services consist of the following:

- ❖ Army, Navy, Marine Corps, Air Force, and Coast Guard
- ❖ Army Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve, and Coast Guard Reserve
- ❖ Army National Guard or Air National Guard
- ❖ Commissioned Corps of the Public Health Service
- ❖ Any other category of persons designated by the President of the United States in time of war or emergency

### Members Electing to Purchase Military Leave Under USERRA

Under the provisions of USERRA, any LASERS member who leaves employment for active duty in the uniformed services is eligible to purchase such service in his or her retirement plan, provided that he or she **meets all of the following criteria:**

- The member returned to LASERS covered employment within 90 days after being discharged from military duties (any such date of re-employment must occur on or after August 1, 1990)
- The member did not change LASERS employers immediately before or after the military service
- The member received an honorable discharge from his or her military service

If a member elects to purchase the service after the period of military leave has ended, then the member must make the purchase **before the deadline of the lesser of:**

- Three times the number of years served during the period of leave
- OR
- Five years after re-employment in a LASERS eligible position

[Form 02-06: Application for Purchase of Military Service](#)

must be completed by the member and submitted to LASERS along with a copy of his or her release or discharge (DD214) from active duty military service or an official copy of his or her retirement points from any reserve component of the United States armed forces or the National Guard. [Form 02-10B: Breakdown of Contributions for Service Credit to be Purchased](#) must also be completed by the agency and submitted to LASERS (for more information on completing a breakdown of contributions, refer to the section *Submitting a Breakdown of Contributions* in this chapter).

Under USERRA, a member must pay his or her employee contributions, and the agency must pay the employer contributions prior to the purchase deadline. Neither the member nor the agency is required to pay interest; however, the employer contributions must be received within 30 days after the member pays the employee contributions. Once the deadline expires, the member has the option to purchase the service under the regular military service purchase provisions (for more information, refer to the section *Military Service Purchases not under USERRA* in this chapter).



*If a member applies to purchase military leave under USERRA and decides not to purchase the time, then the member will still receive eligibility credit for the time period for which he or she applied. The credit will not be used for computation of benefits unless payment is received.*

## Actuarial Purchases

Actuarial purchases are calculated by the LASERS system actuary who will calculate the cost for any actuarial purchases based on the specific circumstances of the member. For all actuarial purchases other than "Air Time" (for more information on how Air Time purchases are calculated, refer to section *Air Time* in this chapter), the cost of the purchase shall be the greater of the following:

- The employee contributions (EEs), employer contributions (ERs), and interest
- OR
- The actuarial amount which offsets the increased liability to the system resulting from the service credit being purchased

Actuarial Purchases include:

- ❖ Administrative Errors
- ❖ Air Time
- ❖ Federal Service Credit
- ❖ Full-Time, In-State Service Credit
- ❖ Furloughs and Leave Without Pay (LWOP)
- ❖ Prior service for Legislators, Certain Legislative Personnel, Governors, Lieutenant Governors, and State Treasurers
- ❖ Military Service not under USERRA
- ❖ Optional Retirement Plan (ORP) Transfers
- ❖ Upgrades for certain retirement plans:
  - Corrections
  - Hazardous Duty
  - Judicial
  - Legislative

### ADMINISTRATIVE ERRORS

Administrative errors may involve an actuarial purchase. Common administrative errors resulting in a purchase include:

- ❖ A member is not enrolled in LASERS
- ❖ A member is enrolled in the wrong retirement plan
- ❖ A member's contributions are not reported in a timely manner
- ❖ A member is enrolled in the wrong retirement system

If the error occurred beyond the last 12-month period, then it is considered an administrative error and a letter must be submitted by the agency along with [Form 02-10B: Breakdown of Contributions for Service Credit to be Purchased](#). If the calculation affects the member's service credit, then an actuarial calculation fee will be required. For more information, refer to the section *Retroactive Payments versus Administrative Errors* in [Chapter 3: Contribution Reporting](#).

### Members Not Enrolled in LASERS

If an agency fails to enroll a member in LASERS at the time of employment in a position in which LASERS membership is mandatory, it is considered an administrative error that may be corrected with a purchase of service credit. In some situations, the purchase of service credit is mandatory. In other instances, the member will have the option to purchase the service credit and he or she can make the choice to purchase this time prior to retirement.

In order to purchase the credit, the member must pay the employee portion of contributions that should have been paid, plus interest. The respective agency must pay LASERS the greater of:

- The current rate of employer contributions that should have been paid, plus interest
- OR
- The actuarial cost of additional benefits payable as a result of the service credit being affected, less the employee contributions, plus interest.

### Members Enrolled in the Wrong Retirement Plan

These administrative errors occur when a member is enrolled in the wrong retirement plan due to their position title or the date that the member entered the system. Payment of additional contributions and interest will only be required when the correction of the plan requires additional contributions than were reported. If the plan requires a lesser contribution rate than previously reported, a credit to the agency will correct the error and no purchase is necessary.

The agency must enroll the member in the correct retirement plan with the correct enrollment date as soon as the error is discovered. Once the employee is enrolled in the correct plan, LASERS will calculate the additional contribution and interest amounts necessary to correct the error.

The calculation is derived from the difference in the two contribution rates of each plan for employee contributions and employer contributions. Interest is applied to any calculation that is more than one year old. The member is responsible for paying his or her portion of the employee contributions, plus interest. The agency is responsible for paying the employer contributions, plus interest. If service credit is not affected, an actuarial calculation is not required.

### Members with Contributions Not Reported in a Timely Manner

Administrative errors can occur in situations where a member's contributions are not reported in a timely manner. The two most common situations where this occurs are:

1. A member received a pay increase that was retroactive to a past date
2. A member was not enrolled after DROP participation

If either of these situations occur and it is not reported within 12 months, then a lump sum retroactive payment will be considered delinquent. The agency will be required to pay the interest on the lump sum payment retroactive to the date of the pay increase or the enrollment date after DROP participation ended. If this affects service credit, it will require an actuarial calculation.

**NOTE:** *Failure to submit contributions for a member working after DROP participation does not constitute an enrollment error. However, it may still result in an administrative error because contributions were not reported in a timely manner.*

### Members Enrolled in the Wrong Retirement System

If a member is enrolled in the wrong retirement system and has not retired or entered DROP, then the member must be enrolled in the retirement system for which he or she is eligible. Within 30 days of the date that the error is discovered, the incorrect system is responsible for initiating the transfer to the correct system. The incorrect system will also notify the employee and employer of the error.

The retirement system for which the member is eligible will calculate the employee and employer contributions that the member should have paid into the system. If the error occurred within three years of enrollment, then the correct retirement system will receive the employee and employer contributions paid to the incorrect system, plus interest. If the error occurred more than three years after enrollment, then the correct retirement system will receive the greater of:

- An amount equal to the employee and employer contributions that would have been received by the correct system had the employee been properly enrolled at employment, plus interest  
OR
- The actuarial cost to the correct system for the service credit transferred

The employing agency will be responsible for the actuarial fee. The agency is also responsible for paying any deficits owed to the correct system.

If a member has received a refund of contributions, then he or she will have the opportunity to repay the refund plus interest to the incorrect system. Upon receiving notification of the enrollment error, the employee has 90 days to repay the refund. If the member does not repay the refund within 90 days, the service credit associated with the refund will not be restored before the transfer. Once the transfer is complete, the employee may still restore the refunded service credit. Once repaid, the service credit must be transferred to the correct system.

## AIR TIME

A member who has at least five years of service credit in LASERS may purchase up to five years of additional service credit, or "Air Time", regardless of whether the member is active or inactive (refer to the section *Purchases of Service Credit* in this chapter). The Air Time may be purchased in one-year increments or all years may be purchased at one time. Air Time purchases may be used to increase retirement benefits and/or change retirement eligibility. The following types of Air Time may be purchased:

- ❖ For benefit computation purposes only
- ❖ For benefit computation and retirement eligibility purposes
- ❖ To upgrade previously purchased Air Time (originally purchased for benefit computation only) to include eligibility credit.

[Form 02-07: Application for Purchase of Service Under La. R.S. 11:429\(B\) – Air Time](#) must be completed by the member and submitted to LASERS along with the appropriate actuarial fee.

### Air Time for Benefit Computation Purposes Only

Air Time purchases for benefit computation will increase the amount of a member's retirement benefit. This type of Air Time purchase **does not change** a member's retirement eligibility. An actuarial fee will provide one cost option for purchasing between one to five years of credit. Additional cost requests may be optional on the same application for an additional fee.

### Air Time for Benefit Computation and Retirement Eligibility Purposes

Air Time purchases for benefit computation and retirement eligibility increase the amount of a member's retirement benefit and potentially allows the member to retire sooner than originally eligible. This

type of Air Time may also allow a member to become eligible for retirement who otherwise may never have become eligible. An actuarial fee will provide one cost option for purchasing from one year and up to five years of credit. Additional cost requests may be obtained on the same application for an additional fee.

### Upgrade of Air Time Service Originally Purchased for Benefit Computation Only

A member who has previously purchased Air Time only for benefit computation purposes may select this option. This option allows a member to upgrade the previously purchased computation time and receive eligibility credit. This type of Air Time purchase allows the member to retire sooner than originally eligible. This upgrade may also allow a member to become eligible for retirement who otherwise may never have become eligible. An actuarial fee will provide one cost option for purchasing at least one year of credit and up to five years of credit. Additional cost requests may be obtained on the same application for an additional fee.

### Increased Insurance Premiums Due to Air Time Purchases

If a member purchases Air Time for retirement eligibility after June 30, 2011 and uses that time to retire earlier than he or she otherwise would have been eligible, then at the time of retirement the member will be required to pay the increase in the employer's share of the member's health insurance premium until the member reaches the age at which he or she would have reached retirement eligibility without the Air Time purchase. At retirement, the amount of the insurance premium is determined by the Office of Group Benefits. If the member never meets eligibility for retirement without the Air Time purchase, then the member will be required to pay the increased premium for the duration of his or her retirement.

Twenty years of service credit at any age is considered a regular retirement. Therefore, if the member actually earns 20 years of service credit (excluding purchased service credit), then the member would not be required to pay the increased health insurance premium even if he or she purchased Air Time for retirement eligibility. However, this does not apply to members of the Wildlife Plan who were hired on or after July 1, 2003, or to any members of the Corrections Secondary Plan. Members of the Hazardous Duty Plan are subject to increased premiums; however, these rules differ. For more information on increased insurance premiums for Hazardous Duty Plan members, refer to the section *Health Insurance Premiums* in [Chapter 17: Hazardous Duty Services Plan \(HAZ Plan\)](#).

**NOTE:** *Air Time purchases made for eligibility purposes prior to July 1, 2011 will not cause a member's health insurance premium to increase at retirement.*

### FEDERAL SERVICE CREDIT

An active contributing member of the system who has at least one year of eligibility service credit in LASERS may purchase service credit for any period during which the member worked and contributed to a retirement plan for federal employees. The member must no longer be employed by the federal government to purchase the service credit.

[Form 02-20: Application for Purchase of Federal Service](#) must be completed by the member and submitted to LASERS along with the appropriate actuarial calculation fee.

Members must purchase full periods of employment. In a situation where a member has multiple periods of employment, he or she can select which period to purchase. **If the member completes the purchase, then the member must forfeit his or her credit in the federal retirement system.**

### FULL-TIME, IN-STATE SERVICE CREDIT

Employees who initially elected not to join LASERS, but later became contributing members are allowed to purchase time for which they did not contribute, as long as the previous or current agency is a LASERS participating employer and the position was LASERS eligible. Refer to the section *Optional Membership* in [Chapter 1: Membership & Enrollment](#) for a list of applicable classes of employees.

[Form 02-05: Certification for Purchase of In-State Service](#) must be completed by the employee and certified by the Human Resources Personnel Officer for the agency at which the employee worked for the period of service being certified. The form should be submitted to LASERS along with the appropriate actuarial calculation fee. In addition, the agency must also submit [Form 02-10B: Breakdown of Contributions for Service Credit to be Purchased](#) in order to provide employment information during the period of service being certified.

**NOTE:** *If the member contributed to the Social Security Administration (SSA) during the time period being purchased, the Human Resources Personnel Officer should check with the SSA to see if any funds can be recouped. Any recouped funds may be applied to the member's purchase and will help to reduce the cost.*

### FURLOUGHS AND LEAVE WITHOUT PAY (LWOP)

A member who is involuntarily furloughed, involuntarily placed on leave without pay (LWOP), or who voluntarily takes LWOP is entitled to purchase service credit for each day that he or she was on LWOP or furloughed, provided that there is no duplication in service. This service credit may be purchased during either the period of furlough or LWOP, or after the period of furlough or LWOP has been completed. This service credit shall be used for determining retirement eligibility and for computing retirement benefits; however, the earnings on which the contributions are based cannot be used in the calculation of the member's final average compensation (FAC).

[Form 02-10: Application for Purchase of Leave](#) must be completed by the member and certified by the agency and submitted to LASERS along with the appropriate actuarial fee. The agency must also submit [Form 02-10B: Breakdown of Contributions for Service Credit to be Purchased](#) (for more information, refer to the section *Submitting a Breakdown of Contributions* in this chapter).

**NOTE:** *A member who is employed in a post-secondary position and who is involuntarily furloughed or voluntarily participates in a furlough is allowed to continue contributions during the period of such furlough. The member cannot contribute on more than 30 days of furlough time during the fiscal year in which he or she is furloughed. The service credit earned while contributing will count towards eligibility for retirement and computation of benefits. Earnings reported while furloughed may be used in the member's FAC. [Form 02-17: Postsecondary Employee Furloughs](#) must be submitted to LASERS and contributions must be remitted by the agency in the normal manner.*

### LEGISLATORS, CERTAIN LEGISLATIVE PERSONNEL, GOVERNORS, LIEUTENANT GOVERNORS, AND STATE TREASURERS

A member who is a clerk or sergeant-at-arms of the House, secretary or sergeant-at-arms of the Senate, legislator, governor, lieutenant governor, or state treasurer may purchase prior service if the service was earned while he or she was employed by the State or an agency of the State, by a political subdivision or an agency of the political subdivision, by any nonprofit, quasi-governmental entity funded in whole or in part from federal, state, or local sources, or while he or she was serving as an elected public official of the State. Very few members fit this category; therefore, members should contact LASERS to determine eligibility for this option.

### MILITARY SERVICE NOT UNDER USERRA

A member may purchase up to four combined years of "regular" and/or "non-regular" military service, provided that he or she received an honorable discharge. "Regular" military service refers to any state or federal full-time, active duty military service. "Non-regular" military service refers to any state or federal military service which is not regular, for which retirement points are assigned for participation in such service, and shall include but not be limited to duty served in the National Guard, Coast Guard, or any reserve component of the United States armed forces. Credit for "regular" service is based on one day of retirement credit for each day of full-time, active duty military service. Credit for "non-regular" service is based on one day of retirement credit for each day of the member's accrued retirement points.

Members will receive computation credit on purchases of military service not under USERRA once the purchase is complete. Eligibility credit will be given only **after** the member has reached 20 years of service. In addition, military service credit **cannot be used** to reach the minimum eligibility requirement of any regular retirement of 20 years or less, nor can it be used to reach the minimum eligibility requirement for disability or survivor benefits. When calculating a member's benefit, purchased military service credit cannot be used in the calculation of the member's final average compensation (FAC).

A member may not purchase military service credit if he or she has previously received service credit for such service in any other public retirement system in Louisiana from which he or she is receiving retirement benefits. Likewise, a member may not purchase service credit for any military service from which he or she is receiving retirement benefits from the military unless one or both of the following situations apply:

- ❖ The member is receiving disability retirement benefits from the military and is found to be 25 percent or less disabled.
- ❖ The member rendered the military service prior to the initial date making the member eligible for membership in LASERS.

If a member is interested in purchasing military service credit not under USERRA, then he or she should submit [Form 02-06: Application for Purchase of Military Service](#) to LASERS along with the appropriate actuarial calculation fee. A copy of his or her release or discharge (DD214) for "regular" military service or an official copy of his or her retirement points from the respective military branch for "non-regular" military service must be submitted along with the application.

### OPTIONAL RETIREMENT PLAN (ORP) TRANSFERS

A member who enrolled in the Optional Retirement Plan (ORP) from July 1, 2000 through December 31, 2007 may elect to regain membership in the LASERS

Defined Benefit Plan. Agencies **must enroll** the member in the LASERS Defined Benefit Plan prior to the member transferring his or her ORP contributions into LASERS (refer to [Chapter 1: Membership & Enrollment](#)). Once a member is enrolled in the LASERS Defined Benefit Plan, **he or she must transfer his or her ORP contributions into LASERS**. [Form 15-01A: Application for Transfer to LASERS Defined Benefit Plan from the Optional Retirement Plan](#) must be submitted to LASERS, along with the appropriate actuarial calculation fee, as soon as the member is enrolled by the agency.

It is highly recommended that a member request an invoice prior to making the decision to enroll in the LASERS Defined Benefit Plan. If the member would like to receive an estimate, [Form 15-01A: Application for Transfer to LASERS Defined Benefit Plan from the Optional Retirement Plan](#) must be submitted to LASERS, along with the appropriate actuarial calculation fee. By requesting an invoice prior to electing to regain membership in LASERS, the member can make an informed decision on the cost to transfer from ORP to the Defined Benefit Plan. The member is under no obligation to proceed with the transfer. However, if the member chooses to proceed with the transfer, then he or she must contact Empower Retirement and notify LASERS of the election to join the Defined Benefit Plan.

**LASERS highly recommends that members request an invoice at least six months prior to the date needed.** Once requested, the member should allow six weeks to receive the invoice. The system actuary will determine if the cost to transfer the service credit is neutral. If there is any deficiency in the amounts due to the LASERS Defined Benefit Plan, the member will be required to pay the amount of the deficiency to complete the transfer. The payment must be made in full prior to the expiration of the invoice. If the invoice expires, then it is canceled and the member must reapply in order to obtain a new invoice.

## UPGRADES FOR CERTAIN RETIREMENT PLANS

For more information on upgrading service credit for the Corrections, Hazardous Duty, and Judicial retirement plans, visit the appropriate specialty chapter in the Employer's Guide to Retirement. For more information on upgrading Legislative service credit, please contact LASERS at 800.256.3000 or 225.922.0600.

## Transfers and Reciprocals from other Retirement Systems

If a member has service credit in more than one state, municipal, or parochial retirement system in Louisiana, then he or she may apply for a reciprocal recognition or an actuarial transfer or upgrade of service credit. Members will not be allowed to earn more than one year of service credit in any one year; therefore, overlapping or duplicative service credit will be adjusted.

It is important for a member to evaluate which option will better suit his or her situation at retirement. Below is a list of retirement systems eligible for transfers, reciprocals, and upgrades:

- ❖ Teachers' Retirement System of Louisiana
- ❖ Louisiana State Police Retirement System
- ❖ Louisiana School Employees' Retirement System
- ❖ Municipal Employees' Retirement System
- ❖ Parochial Employees' Retirement System
- ❖ Firefighters' Retirement System
- ❖ Municipal Police Employees' Retirement System
- ❖ Firefighters Pension and Relief Fund in the City of New Orleans
- ❖ Employees' Retirement System of the Sewerage and Water Board in New Orleans
- ❖ Retirement systems for: Assessors, Clerks of Court, District Attorneys, Registrar of Voters, and Sheriffs
- ❖ Retirement systems for the cities/parishes of: Alexandria, Baton Rouge, Bogalusa, Jefferson, New Orleans, and Shreveport



*All transfers, upgrades, and reciprocals must be completed prior to a member's retirement date. However, a member participating in DROP may make a transfer, upgrade, or reciprocal agreement before, during, or after DROP participation.*

## RECIPROCAL RECOGNITION

A reciprocal agreement is the recognition of a member's service credit in one or more Louisiana retirement system by another eligible Louisiana retirement system. If the member has credit in two or more Louisiana state, parochial, or municipal retirement systems, then the member may elect to combine his or her eligibility service credit for regular retirement, for disability retirement, and for survivor benefits without transferring employee or employer contributions to any single system. At the time of retirement, the member will receive benefits from each system.

To be eligible to establish a reciprocal agreement, the member must have at least six months of service credit in his or her current retirement system and must apply to the retirement system in which the member is currently active or the retirement system he or she last actively contributed. If LASERS is the active or last active retirement system the member contributed to, then [Form 02-03: Application for Reciprocal Recognition of Service](#) must be completed by the member or survivor and submitted to LASERS. Once the application is received, LASERS will contact all retirement systems involved. A letter acknowledging the reciprocal agreement will be mailed to the member once the reciprocal is established.

To be eligible for retirement with a reciprocal agreement, a member's combined eligibility service credit from both systems must meet the highest age requirement and years of service requirement of each system in which he or she is a member. To apply for benefits, the appropriate application must be submitted to the retirement system in which the member is currently active or the retirement system to which he or she last actively contributed. It is the responsibility of the current system to contact the other retirement system(s), but each system must notify the other reciprocating system(s) of the amount of benefits payable and of the computation of such benefits.

A reciprocal agreement may be canceled any time before retirement upon written notification to each reciprocating system of the cancellation of the agreement. No member may receive a retirement benefit from any system as long as contributions are being made to another retirement system. If the member returns to active service in any state, municipal, or parochial system, then the member must notify each system from which he or she is receiving benefits so that the benefits can be stopped immediately in order to avoid possible overpayments.

### ACTUARIAL TRANSFERS AND/OR UPGRADES

An actuarial transfer of service is the transfer of a member's service credit, accumulated employee and employer contributions, and interest from one Louisiana retirement system to another. A transfer of service into LASERS will allow a member to receive benefits from LASERS for all service. Service credit transferred on or after June 30, 2013, may be **upgraded** if a higher accrual rate is currently earned at LASERS. The system actuary will determine the cost to upgrade the service. A member must be employed in a LASERS eligible position for at least six months prior to applying for a transfer and/or upgrade of service credit.

Transfers and upgrades of service credit must be completed prior to the member's retirement; however, transfers and upgrades of service credit may be completed before, during, or after participation in DROP. If a member transfers and/or upgrades service credit while participating in DROP or while working after DROP, then the transferred and/or upgraded service credit will only count toward the supplemental portion of the member's benefit. If a member is completing a transfer of service credit into LASERS to be eligible to retire or enter DROP, then retirement or DROP participation will not be effective until all funds have been received by LASERS and the transfer has been completed.

Once a member has completed a transfer of service credit into LASERS, the calculation of retirement benefits on the service transferred into the system will be calculated using the benefit accrual rate of the transferring system **unless the member upgraded the service credit**. However, each member's retirement eligibility will be based on LASERS eligibility requirements (for more information on retirement eligibility, refer to [Chapter 8: Retirement Benefit Calculation & Eligibility](#)). In addition, when determining the accrual rates of any unused leave, transferred years of service will not be considered.

**NOTE:** *LASERS highly recommends that members considering retirement request an invoice for transfers and/or upgrades at least six months in advance of their anticipated retirement date.*

### The Application Process

Members interested in applying for a transfer and/or upgrade of service credit must submit [Form 02-04: Application for Transfer and/or Upgrade of Creditable Service to LASERS](#) along with the appropriate actuarial fee. The member should allow six weeks to receive an invoice. LASERS will forward the information to the system actuary for calculation. The system actuary will determine all of the options available to the member based on what he or she requested. Once the cost has been determined, LASERS will send an invoice to the member. The member is under no obligation to complete the transfer and/or upgrade. If the invoice expires prior to the member making a decision, then it is canceled and the member must reapply in order to obtain a new invoice.

### Actuarial Fees

The amount of the actuarial calculation fee depends upon the member's selection to transfer and/or upgrade. If the member requests only to transfer service credit to LASERS or upgrade the accrual rate for service previously transferred, then the actuarial fee is \$150.00. If the member requests to transfer service credit to LASERS and upgrade the service credit being transferred, then the actuarial fee is \$200.00. This fee is non-refundable and may be paid by personal check, cashier's check or money order made payable to LASERS. The fee payment should always accompany the member's application. LASERS sends the fee to the system actuary, who calculates the cost for transfers and/or upgrades based on the specific circumstances of the member.

### The Payment Process

Once a member has decided to proceed with a transfer and/or upgrade, payment must be made in full prior to the expiration of the invoice. The cost cannot be paid in monthly installments. If the invoice expires, then the member must reapply and pay an additional actuarial

calculation fee, if appropriate, in order to obtain a new invoice. All payments must be paid in a lump sum by any combination of personal checks, cashier's checks, certified checks, money orders, and rollovers from qualified accounts. A copy of the invoice must accompany all payments.

If the member rolls over funds to LASERS from a qualified account, then [Form 02-13: LASERS Acceptance Letter of Rollover of Assets](#) must be completed by an authorized agent of the financial institution that is remitting the payment and submitted to LASERS. LASERS **will not** accept a financial institution's direct rollover form in lieu of Form 02-13; however, a letter from the financial institution verifying the information on Form 02-13 is acceptable.

### REVERSE TRANSFER

A reverse transfer occurs when a member transfers service credit, accumulated employee and employer contributions, and interest from his or her current Louisiana retirement system into another Louisiana retirement system in which the member is not active. The receiving system is not the last system to which the member contributed. This type of transfer is allowed only once, and a member must retire immediately after the transfer is complete. If the member is not eligible to retire upon completion of the transfer, then the transfer cannot be executed.

To apply for a reverse transfer from a member's current retirement system to LASERS, the member must submit [Form 02-04: Application for Transfer and/or Upgrade of Creditable Service to LASERS](#) along with the appropriate retirement application and the appropriate actuarial calculation fee (depending on the calculation requested).

## Submitting a Breakdown of Contributions

For some types of purchases, [Form 02-10B: Breakdown of Contributions for Service Credit to be Purchased](#) must be submitted in order to properly calculate the cost. It is important that the form be submitted at the same time that the application (or administrative error letter, if applicable) is submitted. If this form is not submitted in a timely manner, it will cause delays in calculating the cost of the purchase and could increase the amount due by the member and employer. Payroll reports, screenshots or other methods will not be accepted in lieu of this form.

When completing this form, the agency should ensure that the correct period start date and end date are listed. It is also important that the "correct base" and "correct earnings" sections of the form are completed correctly. These sections should indicate the base and earnings for which the member **should have paid** contributions, not for the contributions that were actually submitted to LASERS. If the member was part-time, the base must be reported as if the member worked in a full-time position. For more detailed guidelines for completing Form 02-10B, refer to the How-To guide at the end of this chapter.

## Frequently Asked Questions

**1. If a member receives an invoice for any type of purchase, is the member obligated to make a payment for the invoice?**

*No, a member is under no obligation to submit payment for any invoice received.*

**2. How long does a member have to submit payment after an invoice has been issued?**

*Invoices are valid for approximately 90 days. Members will have interest added after 30 days and 60 days. If the invoice expires, the member will need to request an updated invoice by submitting a new application and actuarial fee, if applicable.*

**3. Is there an actuarial fee for USERRA purchases?**

*No, USERRA purchases do not require an actuarial calculation. A member is only required to pay his or her portion of employee contributions while on leave and the agency is only required to pay the employer contributions due while the member was on leave.*

**4. Why is it important to submit [Form 02-10B: Breakdown of Contributions for Service Credit to be Purchased](#)?**

*LASERS staff and the system actuary need this form in order to accurately calculate purchases and administrative errors.*

**5. Can an agency or member set up a payment plan to pay an invoice in monthly installments?**

*No, all invoices must be paid in a lump sum.*

## Reference Material

### APPLICABLE FORMS

- [02-03: Application for Reciprocal Recognition of Service](#)
- [02-04: Application for Transfer and/or Upgrade of Creditable Service](#)
- [02-05: Certification for Purchase of In-State Service](#)
- [02-06: Application for Purchase of Military Service](#)
- [02-07: Application for Purchase of Service Under La. R.S. 11:429\(B\) – Air Time](#)
- [02-08: Application for Purchase of Service by Legislators or Members of the Legislative Plan](#)
- [02-10: Application for Purchase of Leave](#)
- [02-10B: Breakdown of Contributions for Service Credit to be Purchased](#)
- [02-11: Application for Repayment of Refunded Service](#)
- [02-12: Application for Repayment of Refunded Service to Reciprocate/Transfer](#)
- [02-13: LASERS Acceptance Letter of Rollover of Assets](#)
- [02-15: Judicial Upgrade Invoice Request](#)
- [02-16: Request Research of Refundable Contributions](#)
- [02-17: Postsecondary Employee Furlough](#)
- [02-19: Application to Transfer/Upgrade Service into the Hazardous Duty Services Plan](#)
- [02-20: Application for Purchase of Federal Service Under La. R.S. 11:428](#)
- [15-01A: ORP Defined Contribution Plan Transfer to LASERS Defined Benefit Plan](#)
- [16-03: Department of Public Safety & Corrections Upgrade Invoice Request](#)

### APPLICABLE AGENCY LIAISON MEMORANDA

- [06-12: Payment Acceptance Policy](#)
- [07-08: USERRA](#)
- [09-21: Contributions for Furloughed Employees- Unclassified Employees](#)
- [11-23: Air Time for Retirement Eligibility Purposes](#)
- [13-15: Reminder on Air Time Purchases and Health Insurance Premiums](#)
- [16-16: Steps to Retirement](#)

### APPLICABLE LAWS

(Note: this list is not exhaustive)

- [La. R.S. 11:142](#) Reciprocal Recognition of Credited Service in State, Parochial, and Municipal Systems
- [La. R.S. 11:143](#) Transfers Between Systems
- [La. R.S. 11:144](#) Repayment of Refunded Contributions
- [La. R.S. 11:144.1](#) Repayment of Refunded Contributions; Merged Retirement Systems
- [La. R.S. 11:145](#) Creditable Service of Certain Elected Officials
- [La. R.S. 11:150](#) Reciprocal Recognition; Applicability
- [La. R.S. 11:152](#) Military Service Credit
- [La. R.S. 11:153](#) Credit for Military Service
- [La. R.S. 11:158](#) Service Credit in State and Statewide Systems; Price
- [La. R.S. 11:163](#) Credit for Involuntary Furlough; Credit for Leave Without Pay
- [La. R.S. 11:163.1](#) Voluntary or Involuntary Furlough; Service Credit; Continuation of Contributions

- [La. R.S. 11:403](#) [Definitions](#)
- [La. R.S. 11:422](#) [State Service for which Credit has not been Received](#)
- [La. R.S. 11:423](#) [State Service for which Credit has not been Received Due to Administrative Error](#)
- [La. R.S. 11:428](#) [Credit for Certain Federal Service](#)
- [La. R.S. 11:429](#) [Purchase of Service Credit](#)
- [La. R.S. 11:537](#) [Refund of Contributions; Application, Payment, Effect, Repayment to System; Restoration of Service](#)
- [La. R.S. 11:553](#) [Eligible Judges and Court Officers](#)
- [La. R.S. 11:558.1](#) [Credit Resulting from Certain Delays](#)
- [La. R.S. 11:559](#) [Transfer of Creditable Service; Purchase of Credit for Service](#)
- [La. R.S. 11:601](#) [Application; Definitions](#)
- [La. R.S. 11:605](#) [Transfer of Other Service Credit](#)
- [La. R.S. 11:620](#) [Transfer of Other Service Credit](#)
- [La. R.S. 24:36](#) [Additional Benefits Payable to Legislators; Certain Legislative Personnel; Governor; Lieutenant Governor; Political Subdivision Service Credit; Credit for Service Previously Rendered; Additional Contributions; Computation of Benefits Payable; Membership](#)

- [LAC 58.I.113](#) [Rollover of Refunds](#)
- [LAC 58.I.701](#) [Purchase of Military Service](#)
- [LAC 58.I.703](#) [Requirements for Application to Purchase Military Service](#)
- [LAC 58.I.913](#) [Payment of Contributions after Military Service is Completed](#)
- [LAC 58.I.1501](#) [Purchases and Transfers of Service; Calculations; Costs](#)
- [LAC 58.I.1503](#) [Transfers of Service; Other Requirements](#)
- [LAC 58.I.1707](#) [Repayment of Refund of Contributions](#)

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

- [Chapter 6: Purchases of Service Credit](#)
- [Chapter 7: Transfers and Reciprocals From Other Retirement Systems](#)

**APPLICABLE LASERS VIDEOS**

- [Purchases of Service](#)

## How to Complete Form 02-10B: Breakdown of Contributions

Form 02-10B: Breakdown of Contributions for Service Credit to be Purchased is needed to ensure that purchases and administrative errors are calculated accurately and in a timely manner. Below are guidelines for correctly completing Section 1 of the form. In addition to the member’s information at the top of the form, Section 2 of the form should be completed in its entirety.

### Section 1: Employment Information

|                      |                      |   |
|----------------------|----------------------|---|
| Period Start Date    | Period End Date      | Calendar Year (please use a separate form for each calendar year) |
| <input type="text"/> | <input type="text"/> | <input type="text"/>  |

- ❖ *Period Start Date* — this date should be entered as the beginning date within the calendar year for the time period in question.
- ❖ *Period End Date* — this date should be entered as the end date within in the calendar year for the time period in question.
- ❖ *Calendar Year* — the calendar year should be entered based on the year for which the earnings are being reported. If multiple calendar years are being reported, a new form must be submitted for **each year** reported.

|           | Correct Base | Correct Earnings | EEs Required | ERs Required | EEs Actually Paid | ERs Actually Paid |
|-----------|--------------|------------------|--------------|--------------|-------------------|-------------------|
| January   |              |                  |              |              |                   |                   |
| February  |              |                  |              |              |                   |                   |
| March     |              |                  |              |              |                   |                   |
| April     |              |                  |              |              |                   |                   |
| May       |              |                  |              |              |                   |                   |
| June      |              |                  |              |              |                   |                   |
| July      |              |                  |              |              |                   |                   |
| August    |              |                  |              |              |                   |                   |
| September |              |                  |              |              |                   |                   |
| October   |              |                  |              |              |                   |                   |
| November  |              |                  |              |              |                   |                   |
| December  |              |                  |              |              |                   |                   |
| Total     |              |                  |              |              |                   |                   |

- ❖ *Correct Base* — this field should be entered as the “new base” being reported to LASERS for each month in question. The base entered may never have been reported to LASERS, or it may be a correction to a base that was already reported.
- ❖ *Correct Earnings* — this field should be entered as the “new earnings” being reported to LASERS for each month in question. The earnings entered may never have been reported to LASERS, or it may be a correction to earnings that were already reported.

(Continued on next page)

## How to Complete Form 02-10B: Breakdown of Contributions

***(Continued from previous page)***

- ❖ *EEs Required* — this field should be entered based on the employee contribution rate for the plan in which the member is enrolled based on the “new earnings” entered for each month in question. Employee contribution rates can be found on the LASERS website at [www.lasersonline.org](http://www.lasersonline.org) in the Employer section, under “Historic Agency Contribution Rates.”
- ❖ *ERs Required* — this field should be entered based on the employer contribution rate for the plan in which the member is enrolled based on the “new earnings” entered for each month in question. Remember that employer contribution rates change yearly on July 1. These rates can be found on the LASERS website at [www.lasersonline.org](http://www.lasersonline.org) in the Employer section, under “Historic Agency Contribution Rates.”
- ❖ *EEs Actually Paid* — if contributions were reported to LASERS for any particular month, then this field must be completed. If no contributions were reported, the field should be left blank.
- ❖ *ERs Actually Paid* — if contributions were reported to LASERS for any particular month, then this field must be completed. If no contributions were reported, the field should be left blank.



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## Content

### [Overview](#)

### [Terminology](#)

### [Reporting the Death of a Member](#)

- [Final Payroll](#)
- [Submitting Final Earnings](#)

### [Who is Eligible for Survivor Benefits?](#)

- [Surviving Spouse](#)
- [Surviving Minor Child\(ren\)](#)
- [Surviving Physically Handicapped or Mentally Disabled Child\(ren\)](#)

### [Guidelines for Survivor Payments](#)

- [Lump Sum Payment](#)
- [Members Enrolled in Regular Plans](#)

### [The Application Process](#)

- [Monthly Benefits](#)
- [Refund of Contributions](#)

## Quick Links

### [Employer Quick Check](#)

### [Reference Charts: Survivors](#)

- [Regular Plans 1 & 2](#)
- [Regular Plans 3 & 4](#)

### [Flowcharts: Survivors](#)

- [Regular Plans 1 & 2](#)
- [Regular Plans 3 & 4](#)

## Frequently Asked Questions

## Checklists for Survivors

## Overview

This chapter outlines the steps to be taken when a Regular Plan member dies prior to retiring. Depending upon eligibility, survivor benefits may be payable to the surviving spouse, minor child(ren), and physically handicapped or mentally disabled child(ren) when an active or inactive member dies. If it is determined that no survivor benefits are due, then a refund of contributions will be due to the last named beneficiary(ies) or the estate of the deceased member. Typically, beneficiaries of retired members are not eligible for lifetime survivor benefits; however, there are a few exceptions in which they may be eligible to receive them (refer to the section *Who is Eligible for Survivor Benefits?* in this chapter).



*No survivor benefits can be paid by LASERS without a survivor application on file.*

**NOTE:** *It is the responsibility of the Human Resources Personnel Officer to identify the member's potential survivors and provide each one with a survivor application.*

Members of certain specialty plans have different survivor eligibilities and may be eligible for Line of Duty survivor benefits based on their specific retirement plan. For survivors of members who are in one of the following specialty plans, refer to the appropriate retirement chapter of this handbook:

- ❖ Corrections Primary
- ❖ Corrections Secondary
- ❖ Judicial Plan
- ❖ Hazardous Duty Services Plan
- ❖ Wildlife Agents Plan
- ❖ New Orleans Harbor Police Plan

## Terminology

Understanding survivor terminology is beneficial in order to determine when retirement benefits are due and to whom they may be payable.

A **survivor** is a spouse and/or minor child of a member at the time of the member's death.

A **surviving spouse** is a person who was legally married to a member of LASERS on the member's date of death. Common law marriages are not recognized by Louisiana law.

A **minor child** is an unmarried child under the age of 18 years or an unmarried **student** under the age of 23 years who is the issue of a marriage of a member of LASERS, the legally adopted child of a member of LASERS, a child born outside of marriage of a female member of LASERS, or a child of a male member of LASERS, if acknowledged.

A **student** is a person enrolled in high school, a vocational-technical school, or a college or university, in a sufficient number of courses and classes in such institution to be classified as a full-time regular student under the criteria used by the institution in which he or she is enrolled.

A **physically handicapped or mentally disabled child**, regardless of age, is a child certified incapacitated at the time of the member's death and is dependent upon the surviving spouse or other legal guardian.

A **beneficiary** is any person designated by the member or legally entitled to receive a retirement allowance, an annuity, or other benefit.

A **tutor** is a person who has the legal authority to manage a minor child's financial affairs. Parents are the natural tutors of a child. **Tutorship** can also be appointed by the court.

## Reporting the Death of a Member

Agencies should contact LASERS as soon as possible upon the death of an active member or retiree. A death can be reported via phone by calling LASERS Customer Service at 1-800-256-3000 or by emailing LASERS at [asklasersagency@lasersonline.org](mailto:asklasersagency@lasersonline.org).

When a death is reported, LASERS will ask for the following information:

- ❖ Full name and Social Security number of the deceased
- ❖ Date of death

- ❖ Full name, address, and phone number of the survivor and/or contact person
- ❖ Names and ages of any surviving minor children or other eligible survivors

For active members, it is imperative that the agency enter a termination date through Employer Self-Service (ESS). The termination date will be the member's date of death.

### FINAL PAYROLL

The agency is responsible for issuing the member's last payroll check. The agency also can pay up to 300 hours of the member's remaining annual leave. It is the responsibility of the agency to determine who receives these payments. If a member was enrolled in the **Regular Employees plan or Regular Employees 2 plan**, then unpaid leave over 300 hours will be forfeited because it does not factor into a survivor's benefit. If a member was enrolled in **Regular Employees 3 plan or Regular Employees 4 plan**, then unpaid leave will be converted to service credit and it will factor into a survivor's benefit.

### SUBMITTING FINAL EARNINGS

Final earnings are submitted via the agency's monthly contribution report, typically during the month following the member's date of death. The earnings reported should **only** include the remaining days worked or on paid leave up to the active member's date of death. Once reported, earnings and contributions are verified to the hour and must be exact. If the earnings are not exact, the agency will be contacted to explain the discrepancy.

## Who is Eligible for Survivor Benefits?

Survivor benefits are payable to:

- ❖ Surviving Spouse
- ❖ Surviving Minor Child(ren)
- ❖ Surviving Physically Handicapped and Mentally Disabled Child(ren)

**The eligibility of the survivor depends upon the member's years of service at the time of death.** For detailed eligibility requirements, reference the charts at the end of this chapter (*Survivors of Members Enrolled in Regular or Regular 2 Retirement Plans* or *Survivors of Members Enrolled in Regular 3 or Regular 4 Retirement Plans*).

### SURVIVING SPOUSE

In addition to the member's years of service, a surviving spouse's eligibility for a monthly benefit depends on the retirement plan in which the member was enrolled at the time of death.

If a member was enrolled in the **Regular Employees plan or Regular Employees 2 plan** (or certain specialty plans listed in the section *Guidelines for Survivor Payments* in this chapter) at the time of death, the surviving spouse must have been married to the member at least **one year** prior to the member's death in order to qualify for a monthly benefit. This benefit is payable to the spouse for life, regardless of remarriage.

If a member was enrolled in the **Regular Employees 3 plan, Regular Employees 4 plan, Judicial 2 plan or Judicial 3 plan** at the time of death and had a surviving spouse with no minor children, the spouse must have been married to the member at least **one year** prior to the member's death in order to qualify for a monthly benefit.

If a member was enrolled in the **Regular Employees 3 plan, Regular Employees 4 plan, Judicial 2 plan or Judicial 3 plan** at the time of death, was married **at the time of death and had surviving minor child(ren)**, then the spouse will qualify for a survivor benefit as long as the surviving minor children qualify. When there are no longer minor children eligible for a monthly

benefit, the spouse's benefit will continue **only** if he or she meets the eligibility requirements for a surviving spouse without minor children.

### Spousal Remarriage

Remarried surviving spouses of members who were enrolled in the **Regular Employees 3 plan, Regular Employees 4 plan, Judicial 2 plan or Judicial 3 plan** may be subject to some restrictions when determining eligibility for a survivor benefit.

- If the member was *eligible for retirement* at the time of death, the surviving spouse *is eligible* for a lifetime monthly benefit, regardless of remarriage.
- If the member was *not eligible for retirement* at the time of death, then the surviving spouse's benefit *will cease* upon remarriage. The benefit will resume upon subsequent divorce or death of the new spouse.

### Certifying Marital Status

Surviving spouses of members who were enrolled in the **Regular Employees 3 plan, Regular Employees 4 plan, Judicial 2 plan or Judicial 3 plan** are required to submit [Form 03-03: Survivor Marital Status Update](#). This form is requested yearly on the anniversary date of the benefit and must be returned to LASERS within 30 days. Benefits may be affected if the form is not submitted. If the surviving spouse has remarried and does not meet the remarriage requirements, then the benefit will be terminated.

### SURVIVING MINOR CHILD(REN)

In order for a child to be eligible for survivor benefits, the child must qualify as a minor child at the time of the member's death. A minor child is an unmarried child under age 18 or an unmarried full-time student under age 23. The qualified child must also meet one of the following criteria to be eligible for minor child survivor benefits:

- Child of a marriage of a member
- Biological child of a female member
- Child of a male member acknowledged under Louisiana law
- Legally adopted child of a member

*Stepchildren of members are not considered eligible minor children.* Benefits for minors under age 18 are paid in care of the legal guardian under the minor's Social Security number. Minor children over the age of 18 who are not disabled, if still eligible, will be paid directly.

### Certifying Marital Status of Children

If the minor child is age 16 to 23, he or she will be required to submit [Form 03-03: Survivor Marital Status Update](#). This form is requested yearly on the anniversary date of the benefit and must be returned to LASERS within 30 days of the request. Benefits may be affected if the form is not submitted.

### Certifying a Full-Time Student

Unmarried minor children ages 18 to 23 must be enrolled as full-time students to qualify for survivor benefits. A full-time student must be enrolled in a high school, vocational-technical school, GED program, college or university and must attend at least 80 percent of enrolled classes to remain eligible for monthly benefits.

Students must prove twice per semester that they are enrolled as full-time students. LASERS will mail the request for student certification to the student in January and August of each year. Mid-way through each school semester, students are required to verify that they are still enrolled full-time and attending 80 percent of classes. LASERS will mail the request for student verification to the student in April and November of each year.



*Student attendance information is requested by LASERS four times during the year.*

If the information is not received by LASERS within 30 days of the request, the benefit will be suspended. If it is determined that the minor child does not meet the requirements of being enrolled as a full-time student attending 80 percent of his or her classes, then the benefit will be suspended immediately. Benefits will subsequently resume if the minor child later meets the requirements outlined above. When a benefit is suspended, it is redistributed among other qualified survivors.

**NOTE:** *Minor children are eligible for a benefit until the age of 23, including the month in which they reach 23 years of age, if still unmarried and a full-time student.*

### SURVIVING PHYSICALLY HANDICAPPED OR MENTALLY DISABLED CHILD(REN)

Surviving physically handicapped or mentally disabled children may be eligible for a monthly survivor benefit. At the time of the member's death, [Form MSD52: Certification for Disabled Survivor](#) must be submitted for any physically handicapped or mentally disabled children, regardless of their age, who are dependent upon the surviving spouse or other legal guardian. This form must be certified by a medical physician and state that the child was incapacitated at the time of the member's death.

Once qualified, this benefit is payable for the remainder of the child's life, regardless of his or her age. Disabled children are eligible to marry and still receive benefits. However, LASERS must be notified of any marriages.

## Guidelines for Survivor Payments

Typically, LASERS will determine eligibility for survivor benefits based on the member's years of service and information received from the agency at the time of the member's death.

### LUMP SUM PAYMENT TO A BENEFICIARY

If a member has less than five years of service credit and/or has no qualified surviving spouse or qualified surviving children, then survivors are not entitled to a monthly benefit. In these cases, a lump sum payment of the member's total employee contributions will be issued to the last named beneficiary on file or to the member's estate.

Funds received by a beneficiary are not subject to Louisiana inheritance taxes. However, if the funds become part of a member's estate, they then become subject to state inheritance taxes.

**NOTE:** *It is important for agencies to submit to LASERS any Designation of Beneficiary forms completed by members so that proper payments will be made.*

### MEMBERS ENROLLED IN REGULAR PLANS

Monthly benefits for survivors of regular members are based on the Regular Employees Plan in which the member was enrolled at the time of death. Refer to the survivor charts at the end of this chapter for more information on:

- ❖ Determining survivor eligibility
- ❖ Calculating a survivor benefit
- ❖ Determining benefit restrictions

## The Application Process

Once a member's death has been reported, LASERS will contact the agency to verify the member's employment status at the time of death. The Human Resources Personnel Officer will determine if there is a surviving spouse, surviving minor children, or beneficiaries. The Personnel Officer is responsible for distributing the appropriate application and forms to all survivors and beneficiaries. Once this information is received, LASERS will perform a review of the member's file to determine eligibility at the time of death.

**NOTE:** *To ensure proper identification of documents, the member's full name and last four digits of the member's Social Security number should be clearly written on all documents submitted to LASERS.*

### MONTHLY BENEFITS

LASERS recommends that the Human Resources Personnel Officer supply **all survivors** with [Form 03-01: Application for Survivor Benefits](#). This application is submitted for all LASERS retirement plans and covers situations of monthly benefits or refunds.

The Human Resources Personnel Officer should also supply **all survivors over the age of 18** with a "Survivor Application Packet". This packet should contain the appropriate Application Checklist (found at the end of this chapter) and any necessary forms, which can be found on the LASERS website under "Forms."

## Surviving Spouse

### Forms Needed

- ❖ [Form 03-01: Application for Survivor Benefits](#) - all pages (3) must be completed and submitted for the application to be valid. Agency certification is required for deceased members who were employed within the last 12 months of their death and/or who deceased while in active service.
- ❖ [Form 04-05: Authorization for Direct Deposit](#)
- ❖ [Form W-4P: Withholding Certificate for Pension or Annuity Payments](#)

### Vital Documents Needed

- ❖ Copy of the member's death certificate
- ❖ Copies of birth certificate for member and surviving spouse – required for Regular Employees 3 plan and Regular Employees 4 plan

- ❖ Copy of Social Security card for surviving spouse
- ❖ Copy of the member's marriage license – required for surviving spouse
- ❖ Certified copy of the member's Divorce Decree (if applicable) – required for all known divorces that occurred during the member's lifetime
- ❖ Copy of the death certificate for a member's former spouse – required if member was widowed during LASERS membership



***Form 03-01: Application for Survivor Benefits*** must be submitted to LASERS in its entirety (including Page 2), or it will not be accepted.

## Employer Quick Check

- ✓ Did **all** eligible survivor/beneficiaries, age 18 or older, complete [Form 03-01](#) in its entirety? All pages must be completed for the application to be valid. Applications must be submitted to LASERS. **Section 5 of the application should only be completed by beneficiaries who are receiving a lump sum payment of the member's employee contributions.**
- ✓ Did the Personnel Officer enter a termination date into Employer Self-Service (ESS)? The date of death is the member's termination date.
- ✓ Did all eligible survivors submit copies of applicable documents? See the listing at the end of this chapter.
- ✓ Did all eligible survivors complete and submit the following forms in their entirety? *Survivors age 18 or older must submit these forms:*
  - ✓ [Form 04-05: Authorization for Direct Deposit](#)
  - ✓ [Form W-4P: Withholding Certificate for Pension or Annuity Payments](#)
- ✓ Were the following forms completed and submitted for any eligible minor children? Forms listed below with an asterisk (\*) do not apply to all applicants:
  - ✓ [Form MSD61\\*](#): *Affidavit of Natural Tutorship of Minor Child*
  - ✓ [Form MSD62\\*](#): *Affidavit of Natural Tutorship of Disabled Child*
  - ✓ [Form MSD52\\*](#): *Certification of Disabled Survivor*
- ✓ Did the survivors/beneficiaries clearly write the member's name and last four digits of the member's Social Security number on all documentation?
- ✓ Did the survivors/beneficiaries receive a copy of the forms?
- ✓ Were copies of the forms placed in the member's personnel file?
- ✓ Did the Personnel Officer submit exact final earnings through termination date? Refer to the section *Submitting Final Earnings* in this chapter.

## Surviving Minor Child(ren)

All paperwork for surviving minor children under the age of 18 should be completed and signed by their legal tutor or guardian. Multiple children under the age of 18 can be listed on the same application. Forms listed below with an asterisk (\*) do not apply to all applicants.

### Forms Needed

- ❖ [Form 03-01: Application for Survivor Benefits](#) - all pages (3) must be completed and submitted for the application to be valid. Agency certification is required for deceased members who were employed within the last 12 months of their death and/or who deceased while in active service.
- ❖ [Form 04-05: Authorization for Direct Deposit](#)
- ❖ [Form W-4P: Withholding Certificate for Pension or Annuity Payments](#)
- ❖ [Form MSD52\\*: Certification of Disabled Survivor](#) – required for any surviving child marked as “disabled” on the Survivor application
- ❖ [Form MSD61\\*: Affidavit of Natural Tutorship of Minor Child](#) – required for any child under age 18 who is eligible for survivor benefits
- ❖ [Form MSD62\\*: Affidavit of Natural Tutorship of Disabled Child](#) – required for any child marked as “disabled” on the Survivor application

### Vital Documents Needed

- ❖ Copy of the member's death certificate
- ❖ Copies of birth certificate for surviving minor child
- ❖ Copy of Social Security card for surviving minor child
- ❖ Certified copy of the member's Divorce Decree (if applicable) – required for all known divorces that occurred during the member's lifetime
- ❖ Copy of the death certificate for a member's former spouse – required if member was widowed during LASERS membership
- ❖ Certified Tutorship Documents – required if person who signed affidavit is not birth parent of any child under age 18 or any child marked as “disabled” on the Survivor application

- ❖ Verification Letter of Student Status\* – letter provided by school verifying enrollment and is required for minor children ages 18 to 23 who are eligible for survivor benefits.
- ❖ Copy of the minor child's marriage license, if applicable

**NOTE:** If a minor is a payee, the legal tutor or guardian must sign Form 04-05: Authorization for Direct Deposit.

## REFUND OF MEMBER CONTRIBUTIONS

Once it is determined that only a lump sum refund of the member's contributions is due to the last named beneficiary, LASERS suggests that the Personnel Officer supply **all named beneficiaries** with [Form 03-01: Application for Survivor Benefits](#). This application is submitted for all LASERS retirement plans and covers situations of monthly benefits or refunds. The Personnel Officer should also supply **all named beneficiaries** with a “Beneficiary Application Packet”. This packet should contain the appropriate Application Checklist (found at the end of this chapter) and any necessary forms, which can be found on the LASERS website under “Forms.” Forms listed below with an asterisk (\*) do not apply to all applicants.

## Named Beneficiary(ies)

### Forms Needed

- ❖ [Form 03-01: Application for Survivor Benefits](#) – all pages (3) must be completed and submitted for the application to be valid. Agency certification is required for deceased members who were employed within the last 12 months of their death and/or who died while in active service.  
**Section 5 of the application should only be completed by beneficiaries who are receiving a lump sum payment of the member's employee contributions.**

- ❖ [Form 02-01A\\*: Authorization for Direct Rollover](#) – required if a beneficiary is receiving a lump sum payment of the member's contributions and has chosen to roll over the payment
- ❖ [Form MSD61\\*: Affidavit of Natural Tutorship of Minor Child](#) – required for any child under age 18 who is eligible for survivor benefits
- ❖ [Form MSD62\\*: Affidavit of Natural Tutorship of Disabled Child](#) – required for any child marked as "disabled" on the Survivor application

### Vital Documents Needed

- ❖ Copy of the member's death certificate
- ❖ Copy of the beneficiary's death certificate – required if the spouse was the named beneficiary and predeceased the member
- ❖ Copy of birth certificate for beneficiary
- ❖ Copy of Social Security Card for member – only required when paying benefits to the member's estate
- ❖ Copy of Social Security card of named beneficiary – required if paying benefits to the named beneficiary, not required if paying the member's estate
- ❖ Certified copy of any of the member's Divorce Decrees (if applicable) – required if ex-spouse would have been eligible for monthly benefits
- ❖ Certified Tutorship Documents – required if person who signed affidavit is not birth parent of any child under age 19 or any child marked as "disabled" on the survivor application

## Frequently Asked Questions

### 1. Are survivor benefits subject to Louisiana inheritance taxes?

No, survivor benefits are not subject to Louisiana inheritance taxes.

### 2. Are funds received by a beneficiary subject to Louisiana inheritance taxes?

No. However, if the funds become part of the estate, then they become subject to state inheritance taxes.

### 3. Does [Form 03-01: Application for Survivor Benefits](#) have to be certified by the agency?

Yes, but agency certification is only required for deceased members who were employed within the last 12 months of their death and/or who died while in active service. If a member has been out of state service for more than a year, then the application does not have to be certified by the agency.

### 4. Is [Form 03-01: Application for Survivor Benefits](#) acceptable without page 2 of the form, even if no information is written on page 2 of the application?

No. Page 2 of Form 03-01: Application for Survivor Benefits lists all children of the deceased member under the age of 18 or unmarried children under the age of 23. Even if there are no minor children to list, Form 03-01: Application for Survivor Benefits **must be submitted to LASERS in its entirety**, or it will not be accepted.

### 5. Will LASERS accept a faxed copy of [Form 03-01: Application for Survivor Benefits](#)?

Yes, LASERS will accept a faxed copy of a survivor application.

### 6. Can a survivor renounce his or her benefit?

Yes. Anyone who is eligible to receive a benefit can renounce the benefit. However, the decision to renounce a benefit is irrevocable.

**7. What happens to the funds if a survivor chooses to renounce his or her benefit?**

*For a monthly benefit, the money is redistributed to the remaining eligible survivors. If there are multiple survivors listed for a refund, the money is divided equally between the remaining survivors. If there is only one survivor listed and he or she chooses to renounce the benefit, the money goes to the member's estate.*

**8. How does a survivor renounce his or her benefit?**

*The survivor must submit a notarized Affidavit of Renunciation of Benefit. This form can be requested from LASERS. It cannot be returned via fax because it must be notarized.*

**9. Can multiple survivors be listed on a single Form 03-01: Application for Survivor Benefits?**

*Yes. If there are minor children, they can be listed on one application. This application must be signed by the natural parent or tutor. If the tutor signs the document, tutorship documents must be provided. **If the children are 18 years or older, they must each submit an individual survivor application.***

**10. Can a disabled child marry and continue to receive benefits?**

*Yes, but the disabled child must notify LASERS of the marriage.*

**11. Can a member be on LWOP at the time of death and his or her survivors still qualify to receive a monthly benefit?**

*Yes. A member who is on LWOP is considered to be an active member. Eligible survivors may qualify to receive a monthly benefit.*

**12. Does a disabled child have to submit Form MSD52: Certification of Disabled Survivor annually?**

*No, this form is only required upon application. Once a disabled child is qualified as disabled, the benefit is payable for the remainder of the child's life, regardless of his or her age.*

**13. Are stepchildren considered eligible minor children?**

*No, stepchildren are not considered eligible minor children and are not eligible to receive survivor benefits. Minor children must be biological children of the member or legally adopted children of the member in order to qualify as survivors.*

**14. Does a member's unused leave factor into the survivor benefit?**

*The agency can pay up to 300 hours of the member's remaining leave. If the member was enrolled in RGL1 or RGL2 at the time of death, then his or her unpaid leave will not factor into the survivor benefit. However, if the member was enrolled in RGL3 or RGL4, then any unpaid leave may be converted to service credit and included in the survivor benefit.*

**15. If a surviving spouse remarries, will he or she still be eligible for a survivor benefit?**

*Surviving spouses receiving a survivor benefit under Regular and Regular 2 plans will continue to receive a benefit even in the event of remarriage. However, surviving spouses receiving a survivor benefit under Regular 3 and Regular 4 plans are subject to remarriage restrictions if the member was not eligible to retire at the time of death. Refer to the charts at the end of this chapter for more information.*

## Reference Material

### APPLICABLE FORMS

- [02-01A: Authorization for Direct Rollover](#)
- [03-01: Application for Survivor Benefits](#)
- [03-03: Survivor Marital Status Update](#)
- [04-05: Authorization for Direct Deposit](#)
- [MSD52: Certification of Disabled Survivor](#)
- [MSD61: Affidavit of Natural Tutorship of Minor Child](#)
- [MSD62: Affidavit of Natural Tutorship of Disabled Child](#)
- [W-4P: Withholding Certificate for Pension or Annuity Payments](#)

### APPLICABLE AGENCY LIAISON MEMORANDA

- [16-24: Submissions of LASERS Documents via Fax](#)
- [16-27: Survivor Benefits - Definition of a Minor Child](#)

### APPLICABLE LAWS

(Note: this list is not exhaustive)

- [La. R.S. 9:1515](#) [Payment to Surviving Spouse or Children of Deceased](#)
- [La. R.S. 11:234](#) [Survivor Benefits](#)
- [La. R.S. 11:235](#) [Minor's Benefits Placed in Trust; Payable Under Trust Instrument](#)
- [La. R.S. 11:471](#) [Survivors' Benefits; Members Hired on or before December 31, 2010](#)
- [La. R.S. 11:471.1](#) [Survivors' Benefits; Members Hired on or after January 1, 2011](#)
- [La. R.S. 11:472](#) [Manner of Payment](#)

- [La. R.S. 11:473](#) [Surviving Spouse and Adult Children](#)
- [La. R.S. 11:474](#) [Proof of Entitlement of Benefits](#)
- [La. R.S. 11:475](#) [Survivor Refund](#)
- [La. R.S. 11:476](#) [Payment to Named Beneficiary in Lieu of Survivor's Benefits; Effect](#)
- [La. R.S. 11:477](#) [Limitations on Payment of Benefits](#)
- [La. R.S. 29:415](#) [Payment of Death and Survivor Benefits; Public Retirement](#)
- [LAC 58.I.109](#) [Waiver of the Electronic Funds Transfer Requirement](#)
- [LAC 58.I.915](#) [Death and Survivor Benefits](#)
- [LAC 58.I.1901](#) [Application for Benefits](#)
- [LAC 58.I.1903](#) [Qualified Survivors](#)
- [LAC 58.I.1905](#) [Proof of Entitlement to a Survivors' Benefit](#)
- [LAC 58.I.1907](#) [Qualification for Benefits to Handicapped Children](#)
- [LAC 58.I.1909](#) [Children of Previous Marriage](#)

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

- [Chapter 17: Survivor Benefits for Regular Members Hired Prior to 01/01/11](#)
- [Chapter 18: Survivor Benefits for Regular Members Hired On or After 01/01/11](#)



## Retirement Application Checklist for a Surviving Spouse

This checklist is to assist you in completing Survivor paperwork to be submitted to LASERS in order to receive a monthly benefit. Survivor benefits are not paid by LASERS until all required documentation is received by **all eligible survivors**. To ensure proper identification, include the member's full name and the last four digits of the member's Social Security number on all documents submitted. Please write clearly.

### **FORMS TO COMPLETE:**

- Sections 1-6 of Form 03-01: Application for Survivor Benefits *(All pages must be completed for the application to be valid. Agency certification is only required if the member deceased within the last 12 months.)*
- Form 04-05: Authorization for Direct Deposit
- Form W-4P: Withholding Certification for Pension or Annuity Payments
- If applicable, complete Form 02-01A: Authorization for Direct Rollover *(This form is required if you are receiving a lump sum payment of the member's contributions and have chosen to roll over the payment.)*

### **DOCUMENTS TO ATTACH TO THE APPLICATION:**

- A copy of the member's death certificate
- A copy of the member's birth certificate *(This is required for Regular Employees 3 plan and Regular Employees 4 plan.)*
- A copy of surviving spouse's birth certificate *(This is required for Regular Employees 3 plan and Regular Employees 4 plan.)*
- A copy of surviving spouse's Social Security card issued by Social Security Administration
- A copy of the member's marriage license *(This is required for a surviving spouse.)*
- A copy of the member's former spouse's death certificate, if applicable *(This is required if member was widowed during membership.)*
- A **certified copy** of the member's Divorce Decree, if applicable *(This is required for all known divorces that occurred during the member's lifetime.)*



## Retirement Application Checklist for a Surviving Minor Child Under Age 18

This checklist is to assist you in completing Survivor paperwork to be submitted to LASERS in order to receive a monthly benefit. **All paperwork for surviving minor children under the age of 18 should be filled out and signed by the legal tutor or guardian.** Survivor benefits are not paid by LASERS until all required documentation is received by **all eligible survivors.** To ensure proper identification, include the member's full name and the last four digits of the member's Social Security number on all documents submitted. Please write clearly.

### FORMS TO COMPLETE:

- Sections 1-6 of Form 03-01: Application for Survivor Benefits *(An application certified by the agency is required. All pages must be completed for the application to be valid.)*
- Form 04-05: Authorization for Direct Deposit
- Form W-4P: Withholding Certification for Pension or Annuity Payments
- If applicable, complete Form MSD52: Certification of Disabled Survivor *(This form is required for any surviving child marked as "Disabled" on the Survivor application.)*
- If applicable, complete Form MSD61: Affidavit of Natural Tutorship of Minor Child *(This form is required for any child under age 18 eligible for survivor benefits)*
- If applicable, complete Form MSD62: Affidavit of Natural Tutorship of Disabled Child *(This form is required for any child marked as "Disabled" on the Survivor application.)*

### DOCUMENTS TO ATTACH TO THE APPLICATION:

- A copy of the member's death certificate
- A copy of surviving spouse's birth certificate and Social Security card issued by Social Security Administration
- A copy of the member's former spouse's death certificate, if applicable *(This is required if member was widowed during membership.)*
- A **certified copy** of the member's Divorce Decree, if applicable *(This is required for all known divorces that occurred during the member's lifetime.)*
- Certified** Tutorship Documents *(This is required if person who signed affidavit is not birth parent of any child under age 18 or any child marked as "Disabled" on the application.)*



## Retirement Application Checklist for a Surviving Minor Child Age 18 to 23

This checklist is to assist you in completing Survivor paperwork to be submitted to LASERS in order to receive a monthly benefit. Survivor benefits are not paid by LASERS until all required documentation is received by **all eligible survivors**. To ensure proper identification, include the member's full name and the last four digits of the member's Social Security number on all documents submitted. Please write clearly.

### **FORMS TO COMPLETE:**

- Sections 1-6 of Form 03-01: Application for Survivor Benefits *(An application certified by the agency is required. All pages must be completed for the application to be valid.)*
- Form 04-05: Authorization for Direct Deposit
- Form W-4P: Withholding Certification for Pension or Annuity Payments
- If applicable, complete Form MSD52: Certification of Disabled Survivor *(This form is required for any surviving child marked as "Disabled" on the Survivor application.)*

### **DOCUMENTS TO ATTACH TO THE APPLICATION:**

- A copy of the member's death certificate
- A copy of surviving spouse's birth certificate and Social Security card issued by Social Security Administration
- A copy of the member's former spouse's death certificate, if applicable *(This is required if member was widowed during membership.)*
- A **certified copy** of the member's Divorce Decree, if applicable *(This is required for all known divorces that occurred during the member's lifetime.)*
- Verification Letter of Student Status *(This is required for unmarried minor child age 18 to 23 to verify full-time enrollment in school.)*
- A copy of the minor child's marriage license, if applicable.



## Retirement Application Checklist for a Last Named Beneficiary

This checklist is to assist you in completing paperwork to be submitted to LASERS in order to receive a lump sum payment of the member's contributions. Lump sum payments are not issued by LASERS until all required documentation is received by **all eligible beneficiaries**. To ensure proper identification, include the member's full name and the last four digits of the member's Social Security number on all documents submitted. Please write clearly.

### FORMS TO COMPLETE:

- Sections 1-6 of Form 03-01: Application for Survivor Benefits (*An application certified by the agency is required. All pages must be completed for the application to be valid. **Section 5 of the application should only be completed by beneficiaries who are receiving a lump sum payment of the member's employee contributions.***)
- If applicable, complete Form 02-01A: Authorization for Direct Rollover (*This form is required if you are receiving a lump sum payment of the member's contributions and have chosen to roll over the payment.*)
- If applicable, complete Form MSD61: Affidavit of Natural Tutorship of Minor Child (*This form is required for any child under age 18 eligible for survivor benefits*)
- If applicable, complete Form MSD62: Affidavit of Natural Tutorship of Disabled Child (*This form is required for any child marked as "Disabled" on the Survivor application.*)

### DOCUMENTS TO ATTACH TO THE APPLICATION:

- A copy of the member's death certificate
- A copy of the beneficiary's death certificate (*Required if the spouse was the named beneficiary and predeceased the member.*)
- A copy of the member's birth certificate (*Required if payment is being made to the member's estate.*)
- A copy of beneficiary's birth certificate and Social Security card issued by Social Security Administration (*Required if the beneficiary is receiving lump sum payment. If payment is being made to the member's estate, these documents are not needed.*)
- Certified** Tutorship Documents (*This is required if person who signed affidavit is not birth parent of any child under age 18 or any child marked as "Disabled" on the application.*)

## Survivors of Members Enrolled in Regular or Regular 2 Retirement Plans

*Benefits are effective on the day after member's date of death.*

| Survivor                                | Eligibility  | Benefit   | Benefit Restrictions  |
|---|--|---|---|
| Surviving Spouse                        | <ul style="list-style-type: none"> <li>• Married to member at least one year prior to death</li> </ul>   | <p><b>At least 10 years of service or greater:</b></p> <ul style="list-style-type: none"> <li>• 50% of member's FAC or \$200 monthly, whichever is greater</li> </ul>   | <p><b>NONE</b> - Surviving spouse will receive a lifetime benefit if meets requirements</p> <p><b>NOT ELIGIBLE FOR LINE OF DUTY BENEFITS</b></p>  |
|   | <p><b>ACTIVE at time of death</b></p> <ul style="list-style-type: none"> <li>• Member had:                             <ul style="list-style-type: none"> <li>◇ At least 10 years of service, 2 years earned immediately prior to death</li> <li>OR</li> <li>◇ 20 years of service</li> </ul> </li> <li>• Member had:                             <ul style="list-style-type: none"> <li>◇ 20 years of service</li> </ul> </li> </ul>  |   |   |
| Surviving Minor Child(ren)              | <ul style="list-style-type: none"> <li>• No eligible surviving spouse</li> <li>• Member had:                             <ul style="list-style-type: none"> <li>◇ Unmarried minor child(ren) under age of 18 or unmarried full-time student under 23*</li> <li>AND/OR</li> <li>◇ Physically Handicapped or Mentally Disabled Child(ren)**</li> </ul> </li> </ul>   | <p><b>5 years of service or greater:</b></p> <ul style="list-style-type: none"> <li>• 75% of member's FAC or \$300 monthly, whichever is greater</li> <li>• Evenly distributed among all children</li> <li>• Once child(ren) are no longer eligible, benefit is redistributed among remaining eligible children</li> </ul>  | <p><b>Minor child(ren) only receive benefit:</b></p> <ul style="list-style-type: none"> <li>• As long they remain unmarried until age 18,</li> <li>OR</li> <li>• If they remain unmarried and a full-time student until age 23*</li> </ul> <p><b>Minor child(ren) benefit will permanently cease:</b></p> <ul style="list-style-type: none"> <li>• Upon marriage of minor child or student</li> </ul> <p><b>Physically Handicapped or Mentally Disabled Child(ren):**</b></p> <ul style="list-style-type: none"> <li>• Receive a benefit for life, regardless of age, once certified as handicapped or disabled</li> </ul> <p><b>NOT ELIGIBLE FOR LINE OF DUTY BENEFITS</b></p> |
|   | <p><b>ACTIVE at time of death</b></p> <ul style="list-style-type: none"> <li>• Member had:                             <ul style="list-style-type: none"> <li>◇ At least 5 years of service, 2 years earned immediately prior to death</li> <li>OR</li> <li>◇ 20 years of service</li> </ul> </li> </ul> <p><b>INACTIVE at time of death</b></p> <ul style="list-style-type: none"> <li>• Member had:                             <ul style="list-style-type: none"> <li>◇ 20 years of service</li> </ul> </li> </ul>  |   |   |
| Surviving Spouse & Surviving Child(ren) | <ul style="list-style-type: none"> <li>• Married to member at least one year prior to death</li> <li>• Member had:                             <ul style="list-style-type: none"> <li>◇ Unmarried minor child(ren) under age of 18 or unmarried full-time student under 23*</li> <li>AND/OR</li> <li>◇ Physically Handicapped or Mentally Disabled Child(ren)**</li> </ul> </li> </ul>   | <p><b>At least 10 years of service or greater:</b></p> <ul style="list-style-type: none"> <li>• Spouse receives 25% of member's FAC or \$100 monthly, whichever is greater</li> <li>• Minor child(ren) in custody of spouse receives 50% of member's FAC or \$200</li> <li>OR</li> <li>• Minor child(ren) not in custody of spouse receives 50% of member's FAC or \$300</li> <li>• Evenly distributed among all children</li> <li>• Once child(ren) are no longer eligible, benefit is redistributed among remaining eligible children</li> <li>• Once no minor child(ren) exist, benefit will revert to surviving spouse benefit of 50% of member's FAC or \$200 monthly, whichever is greater</li> </ul> | <p><b>Surviving Spouse:</b></p> <ul style="list-style-type: none"> <li>• See restrictions under <i>Surviving Spouse</i></li> </ul> <p><b>Minor child(ren) &amp; Physically Handicapped or Mentally Disabled Child(ren):**</b></p> <ul style="list-style-type: none"> <li>• See restrictions under <i>Surviving Minor Child(ren)</i></li> </ul> <p><b>NOT ELIGIBLE FOR LINE OF DUTY BENEFITS</b></p>   |
|   | <p><b>ACTIVE at time of death</b></p> <ul style="list-style-type: none"> <li>• Member had:                             <ul style="list-style-type: none"> <li>◇ At least 10 years of service, 2 years earned immediately prior to death</li> <li>OR</li> <li>◇ 20 years of service</li> </ul> </li> </ul> <p><b>INACTIVE at time of death</b></p> <ul style="list-style-type: none"> <li>• Member had:                             <ul style="list-style-type: none"> <li>◇ 20 years of service</li> </ul> </li> </ul> |   |   |

**If the above criteria is not met, then a REFUND is due to the last named beneficiary on file with LASERS.**

\* Full-time students will need to submit certification of student status and verification of student status four times per year.  
 \*\* Physically Handicapped or Mentally Disabled Child(ren) must be certified by a physician at time of the member's death.

## Survivors of Members Enrolled in Regular 3 or Regular 4 Retirement Plans

*Benefits are effective on the 1st of the month following the month of the member's death.*

| Survivor  |                                     | Eligibility  |  | Benefit  | Benefit Restrictions |
|---|-------------------------------------|--|--|--|----------------------|
| Surviving Spouse                                  | ACTIVE at time of death             | <ul style="list-style-type: none"> <li>• Married to member at least one year prior to death</li> <li>• Member had:                             <ul style="list-style-type: none"> <li>◇ At least 10 years of service, 2 years earned immediately prior to death</li> <li>OR</li> <li>◇ 20 years of service</li> </ul> </li> </ul>  | <p>At least 10 years of service or greater:</p> <ul style="list-style-type: none"> <li>• Member's Option 2A benefit or \$600 monthly, whichever is greater</li> </ul>  | <ul style="list-style-type: none"> <li>• If member was eligible for retirement at time of death, survivor is eligible for a lifetime benefit, regardless of remarriage</li> <li>• If member was not eligible for retirement at time of death, then survivor's benefit will cease upon remarriage. Benefit will resume upon subsequent divorce or death of new spouse.</li> </ul> <p style="text-align: center;"><b>NOT ELIGIBLE FOR LINE OF DUTY BENEFITS</b></p>  |                      |
|   | INACTIVE at time of death           | <ul style="list-style-type: none"> <li>• Member had:                             <ul style="list-style-type: none"> <li>◇ 20 years of service</li> </ul> </li> </ul>   |  |  |                      |
| Surviving Minor Child(ren)                        | ACTIVE OR INACTIVE at time of death | <ul style="list-style-type: none"> <li>• Member was not married on date of death</li> <li>• Member had:                             <ul style="list-style-type: none"> <li>◇ Unmarried minor child(ren) under age of 18 or unmarried full-time student under 23*</li> <li>AND/OR</li> <li>◇ Physically Handicapped or Mentally Disabled Child(ren)**</li> </ul> </li> <li>• Member had:                             <ul style="list-style-type: none"> <li>◇ At least 5 years of service</li> </ul> </li> </ul>  | <p>5 years of service or greater:</p> <ul style="list-style-type: none"> <li>• 25% of the member's maximum benefit or \$300, whichever is greater, for each child (up to a maximum of two children)</li> <li>• If more than two children, the greater of 50% of the benefit that member would have been entitled to, or \$600, is equally distributed among all children</li> <li>• When one child is no longer eligible, benefit is redistributed among remaining eligible children</li> </ul>  | <p><b>Minor child(ren) only receive benefit:</b></p> <ul style="list-style-type: none"> <li>• As long they remain unmarried until age 18</li> <li>OR</li> <li>• If they remain unmarried and a full-time student until age 23*</li> </ul> <p><b>Minor child(ren) benefit will permanently cease:</b></p> <ul style="list-style-type: none"> <li>• Upon marriage of minor child or student</li> </ul> <p><b>Physically Handicapped or Mentally Disabled Child(ren)**:</b></p> <ul style="list-style-type: none"> <li>• Receive a benefit for life regardless of age once certified as handicapped or disabled</li> </ul> <p style="text-align: center;"><b>NOT ELIGIBLE FOR LINE OF DUTY BENEFITS</b></p> |                      |
|   | ACTIVE OR INACTIVE at time of death | <ul style="list-style-type: none"> <li>• Member had:                             <ul style="list-style-type: none"> <li>◇ At least 5 years of service</li> </ul> </li> </ul>   |  |  |                      |
| Surviving Spouse & Surviving Child(ren)           | ACTIVE at time of death             | <ul style="list-style-type: none"> <li>• Married to member on date of death</li> <li>• Member had:                             <ul style="list-style-type: none"> <li>◇ Unmarried minor child(ren) under age of 18 or unmarried full-time student under 23*</li> <li>AND/OR</li> <li>◇ Physically Handicapped or Mentally Disabled Child(ren)**</li> </ul> </li> <li>• Member had:                             <ul style="list-style-type: none"> <li>◇ At least 5 years of service, 2 years earned immediately prior to death</li> <li>OR</li> <li>◇ 20 years of service</li> </ul> </li> </ul> | <p>5 years of service or greater:</p> <ul style="list-style-type: none"> <li>• SPOUSE is paid 50% of member's maximum retirement benefit or \$600 monthly, whichever is greater</li> <li>• MINOR CHILD(REN) are paid 25% of the member's maximum benefit or \$300, whichever is greater, for each child (up to a maximum of two children)                             <ul style="list-style-type: none"> <li>◇ If more than two children, the greater of 50% of the benefit that member would have been entitled to, or \$600, is equally distributed among all children.</li> <li>◇ When one child is no longer eligible, benefit is redistributed among remaining eligible children.</li> </ul> </li> <li>• The total maximum payout for spouse and one child is 75% of member's max benefit or \$900 monthly, whichever is greater. The total maximum payout for spouse and two or more children is the greater of 100% of member's max benefit or \$1,200. <b>Total benefits for spouse &amp; child(ren) cannot be less than the Option 2A spouse amount.</b></li> </ul> | <p><b>Surviving Spouse:</b></p> <ul style="list-style-type: none"> <li>• See restrictions under <i>Surviving Spouse</i></li> <li>• When all children cease to be eligible for benefits, the surviving spouse's benefit will be re-evaluated. See <i>Surviving Spouse</i></li> </ul> <p><b>Minor Child(ren) &amp; Physically Handicapped or Mentally Disabled Child(ren):**</b></p> <ul style="list-style-type: none"> <li>• See restrictions under <i>Surviving Minor Child(ren)</i></li> </ul> <p style="text-align: center;"><b>NOT ELIGIBLE FOR LINE OF DUTY BENEFITS</b></p>   |                      |
|   | INACTIVE at time of death           | <ul style="list-style-type: none"> <li>• Member had:                             <ul style="list-style-type: none"> <li>◇ 20 years of service</li> </ul> </li> </ul>   |  |  |                      |
| Retired Member with Surviving Minor or Child(ren) | ACTIVE at time of death             | <ul style="list-style-type: none"> <li>• Retired member had:                             <ul style="list-style-type: none"> <li>◇ Unmarried minor child(ren) under age of 18 or unmarried full-time student under 23*</li> <li>AND/OR</li> <li>◇ Physically Handicapped or Mentally Disabled Child(ren)**</li> </ul> </li> </ul>   | <p>Upon retired member's death, retirement benefit is paid to the beneficiary designated at the time of retirement (depending upon the benefit option chosen at retirement).</p> <p>25% of member's maximum benefit (including converted leave if converted at retirement) or \$300, whichever is greater, for each child up to a maximum of two children.</p> <p>If more than two children, the greater of 50% of the benefit that member would have been entitled to, or \$600, is equally distributed among all children.</p> <p>When one child is no longer eligible, benefit is redistributed among remaining eligible children.</p> <p>If member retired with Regular Retirement with an Actuarially Reduced Benefit, then the survivor benefit will be calculated on the <b>unreduced maximum benefit</b>.</p>  | <p><b>Minor Child(ren) &amp; Physically Handicapped or Mentally Disabled Child(ren):**</b></p> <ul style="list-style-type: none"> <li>• See restrictions under <i>Surviving Minor Child(ren)</i></li> </ul>  |                      |
|   | INACTIVE at time of death           | <ul style="list-style-type: none"> <li>• Member had:                             <ul style="list-style-type: none"> <li>◇ 20 years of service</li> </ul> </li> </ul>   |  |  |                      |

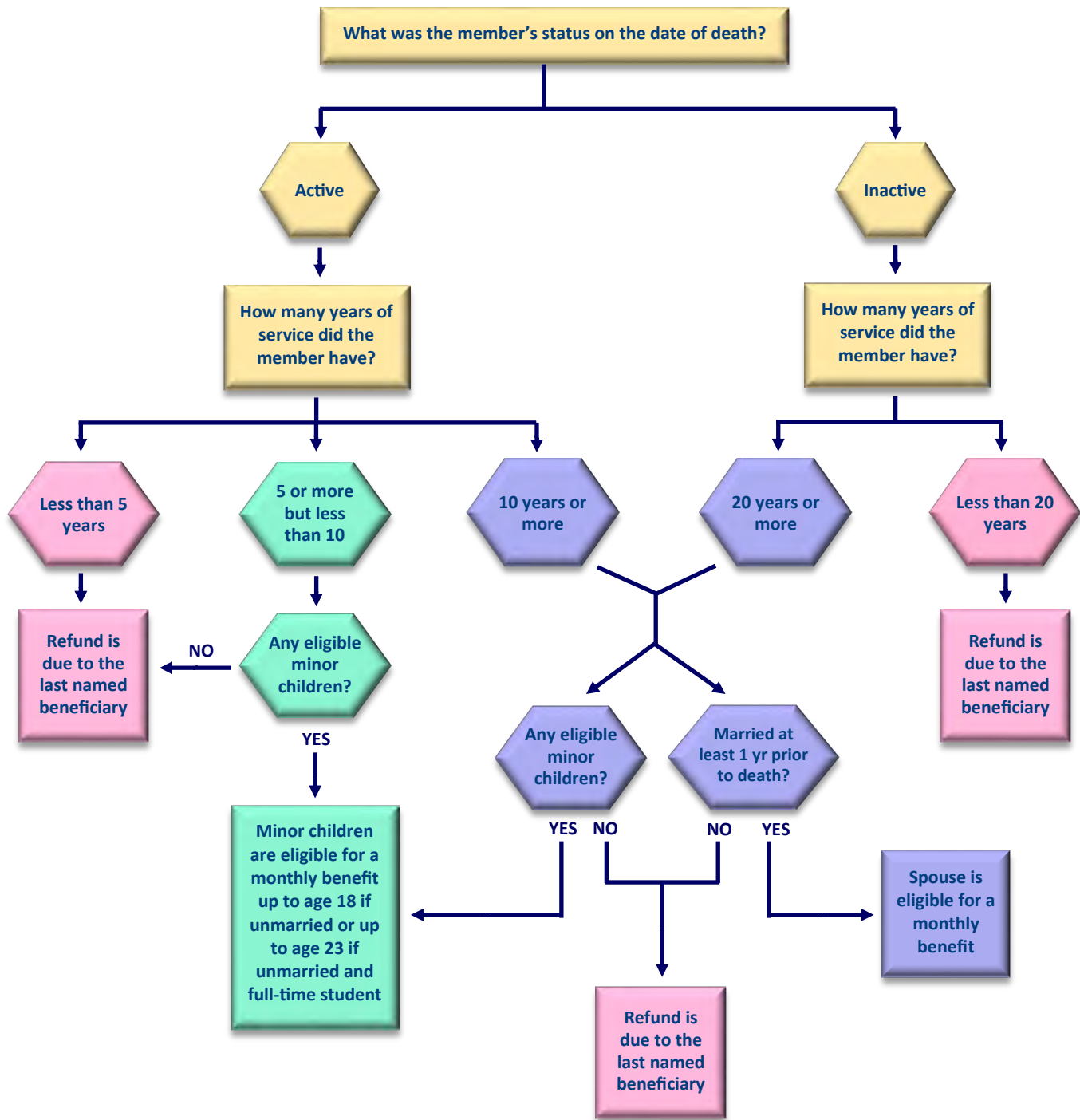
**If the above criteria is not met, then a REFUND is due to the last named beneficiary on file with LASERS.**

\* Full-time students will need to submit certification of student status and verification of student status four-times per year.

\*\* Physically Handicapped or Mentally Disabled Child(ren) must be certified by a physician at time of the member's death.

# Survivor Retirement Process

For members enrolled in Regular or Regular 2 plans\*



\*Also includes members enrolled in the following retirement plans: Alcohol and Tobacco Control Agent, Appellate Law Clerk plans, Bridge Police Officer plans, Legislative plans, Peace Officer, and State Treasurer

# Survivor Retirement Process

For members enrolled in Regular 3 or Regular 4 plans\*



\*Also includes members enrolled in Judicial 2 or Judicial 3 plans

## Content

### Preparing for Retirement

- [Pre-Retirement Education Program \(PREP\)](#)
- [Benefit Estimates](#)
- [Member Self-Service](#)
- [Individual Member Counseling](#)

### Initiating the Process

### Submitting the Application

- [Designating Beneficiaries on an Application](#)
- [Certifying Leave](#)
- [Final Earnings](#)

### Common Application Issues

### Benefit Payments

### Rescinding an Application

## Quick Links

### Reference Material

- [Applicable Forms](#)
- [Applicable Agency Liaison Memoranda](#)
- [Applicable Laws](#)
- [Applicable Chapters in Member's Guide to Retirement](#)
- [LASERS Videos](#)

## 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

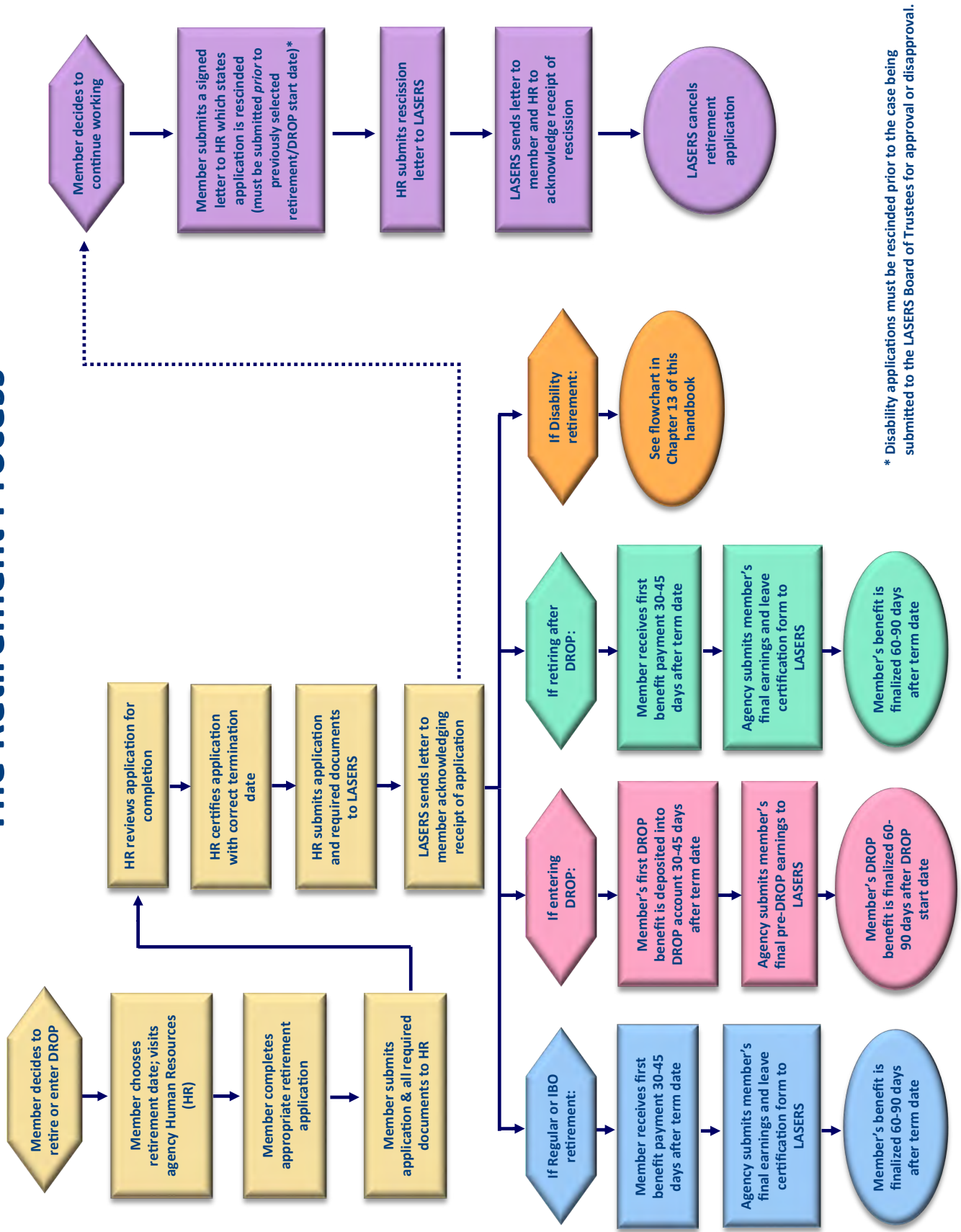
**APPLICABLE CHAPTERS IN MEMBER'S GUIDE TO RETIREMENT**

- [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.

# Chapter 8: Retirement Benefit Calculation & Eligibility

## Content

### [Overview](#)

### [Benefit Formula Calculation](#)

- [Final Average Compensation \(FAC\)](#)

### [Retirement Eligibility for Regular Plans](#)

- [Regular Employees](#)
- [Regular Employees 2](#)
- [Regular Employees 3](#)
- [Regular Employees 4](#)

### [Retirement Eligibility for Specialty Plans](#)

- [Alcohol and Tobacco Control](#)
- [Corrections Primary](#)
- [Corrections Secondary](#)
- [Peace Officer](#)
- [Wildlife Agents](#)
- [Hazardous Duty Services](#)
- [Judicial Employees](#)
- [Judicial Employees 2](#)
- [Judicial Employees 3](#)
- [Appellate Law Clerk](#)
- [Appellate Law Clerk 2](#)
- [Legislator](#)
- [Legislator 2](#)
- [Special Legislative Employees](#)
- [State Treasurer](#)
- [Bridge Police Employees](#)
- [Bridge Police Employees 2](#)
- [New Orleans Harbor Police](#)

## [Frequently Asked Questions](#)

## [Reference Material](#)

## Overview

This chapter outlines the formula used for calculating retirement benefits. It also outlines a member's eligibility for retirement based on the retirement plan in which he or she is enrolled. To reach retirement eligibility, a member must attain both the years of service required and the age requirement of his or her retirement plan. For information on eligibilities for disability retirement and survivor benefits, refer to [Chapter 13: Disability Retirement](#) and [Chapter 6: Survivor Benefits](#).

**NOTE:** *Unused annual and sick leave cannot be used to reach eligibility for retirement.*

## Benefit Formula Calculation

The retirement benefit formula is calculated by multiplying the member's final average compensation (FAC) by the member's benefit accrual rate by the member's years of service credit. This is the maximum retirement benefit the member can receive. However, the member may select a retirement option that provides a benefit less than the maximum allowance and provides a benefit to a named beneficiary at the time of the retired member's death (for more information, refer to [Chapter 9: Retirement Options & Cost-of-Living Adjustments](#)).

| Benefit Formula Calculation |   |              |   |                  |   |                 |
|-----------------------------|---|--------------|---|------------------|---|-----------------|
| FAC                         | x | Accrual Rate | x | Years of Service | = | Maximum Benefit |

### FINAL AVERAGE COMPENSATION (FAC)

The final average compensation (FAC) is the earned compensation that is used to calculate a retirement benefit. The member's plan will determine if the member has a 36-month FAC or a 60-month FAC.

### FAC and Part-time Employment


The FAC for part-time members is calculated differently than the FAC for full-time members. For part-time members *hired after January 1, 2016*, their monthly base salary will be used for any month in which they worked at part-time effort.

For part-time members *hired prior to January 1, 2016*, the FAC is calculated by determining 80 percent of the monthly earnings that should have been reported if the member worked full-time. If the earnings reported are less than 80 percent of full-time earnings, then the member's monthly base salary will be used in the FAC. If the earnings reported are equal to or greater than 80 percent of full-time earnings, then the member's actual part-time reported earnings will be used in the FAC.

**FAC Anti-Spiking**

When calculating the member's retirement benefit, the earnings used for the final average compensation may be capped in order to avoid excessive spikes in compensation. Depending on the retirement plan, a member's FAC may be capped at either 15 percent or 25 percent. This is known as the anti-spiking rate.

If a member receives a pay increase in excess of the anti-spiking rate, then his or her average compensation will be capped at the appropriate percentage based on the member's retirement plan.



*A member's retirement benefit cannot exceed 100% of his or her FAC.*

## Retirement Eligibility for Regular Plans

**REGULAR EMPLOYEES**

**Eligibilities for Regular Retirement, DROP and IBO:**

- ❖ 10 years of service credit at age 60
- ❖ 25 years of service credit at age 55
- ❖ 30 years of service credit at any age

**Eligibility for Regular Retirement with an Actuarially Reduced Benefit:**

- ❖ 20 years of service credit at any age – *the actuarial reduction is based on the number of months that the member is away from unreduced Regular Service Retirement eligibility*

| Regular Employees Plan Characteristics |           |
|--|-----------|
| Benefit Accrual Rate                   | 2.5%      |
| FAC Period                             | 36 months |
| Anti-spiking Rate                      | 25%       |

**REGULAR EMPLOYEES 2**

**Eligibility for Regular Retirement, DROP and IBO:**

- ❖ 5 years of service credit at age 60

**Eligibility for Regular Retirement with an Actuarially Reduced Benefit:**

- ❖ 20 years of service credit at any age – *the actuarial reduction is based on the number of months that the member is away from unreduced Regular Service Retirement eligibility*

| Regular Employees 2 Plan Characteristics |           |
|--|-----------|
| Benefit Accrual Rate                     | 2.5%      |
| FAC Period                               | 60 months |
| Anti-spiking Rate                        | 15%       |

### REGULAR EMPLOYEES 3

**Eligibilities for Regular Retirement, DROP and IBO:**

- ❖ 5 years of service credit at age 60

**Eligibility for Regular Retirement with an Actuarially Reduced Benefit:**

- ❖ 20 years of service credit at any age – *the actuarial reduction is based on the number of months that the member is away from unreduced Regular Service Retirement eligibility*

| Regular Employees 3 Plan Characteristics |           |
|--|-----------|
| Benefit Accrual Rate                     | 2.5%      |
| FAC Period                               | 60 months |
| Anti-spiking Rate                        | 15%       |

This plan includes Court Officers, Appellate Law Clerks, Governors, Lieutenant Governors, State Treasurers, Clerks and Sergeants-at-Arms of the House of Representatives, Secretaries and Sergeants-at-Arms of the Senate, the President of the Senate, and certain Legislative personnel who were previously part of specialty plans.

### REGULAR EMPLOYEES 4

**Eligibility for Regular Retirement, DROP and IBO:**

- ❖ 5 years of service credit at age 62

**Eligibility for Regular Retirement with an Actuarially Reduced Benefit:**

- ❖ 20 years of service credit at any age – *the actuarial reduction is based on the number of months that the member is away from unreduced Regular Service Retirement eligibility*

| Regular Employees 4 Plan Characteristics |           |
|--|-----------|
| Benefit Accrual Rate                     | 2.5%      |
| FAC Period                               | 60 months |
| Anti-spiking Rate                        | 15%       |

This plan includes Court Officers, Appellate Law Clerks, Governors, Lieutenant Governors, State Treasurers, Clerks and Sergeants-at-Arms of the House of Representatives, Secretaries and Sergeants-at-Arms of the Senate, the President of the Senate, and certain Legislative personnel who were previously part of specialty plans.

## Retirement Eligibility for Specialty Plans

### ALCOHOL AND TOBACCO CONTROL (ATC)

**Eligibilities for Regular Retirement, DROP and IBO:**

- ❖ 10 years of service credit at age 60
- ❖ 25 years of service credit at any age

**Eligibility for Regular Retirement with an Actuarially Reduced Benefit:**

- ❖ 20 years of service credit at any age – *the actuarial reduction is based on the number of months that the member is away from unreduced Regular Service Retirement eligibility*

Members of this plan hold a commission from the ATC office and have the power to arrest. At retirement, a statement is required from the agency stating that the member was P.O.S.T.-certified in his or her position. Members of this plan hired on or before June 30, 2007, must be certified as a Peace Officer to receive a three and one-third percent (3⅓%) accrual rate. For the definition of Peace Officer, refer to the *Peace Officer* section of this chapter.

Members of this plan are eligible to join the HAZ Plan at any time prior to retiring or participating in DROP (for more information, refer to the *Hazardous Duty* section of this chapter).

| Alcohol and Tobacco Control Plan Characteristics |   |
|--|---|
| <b>Benefit Accrual Rate</b>                      | Depends on the date of hire: <ul style="list-style-type: none"> <li>❖ ATC Agents, including supervisors and administrators, <i>employed on June 30, 2007</i> will receive a 3⅓% accrual rate for all years certified as a Peace Officer, whether or not such service was earned as an Alcohol and Tobacco Control Agent. If not certified, then the member will receive service credit at the accrual rate it was earned.</li> <li>❖ ATC Agents <i>hired between July 1, 2007 and December 31, 2010</i> will receive a 3⅓% accrual rate only for years worked as an ATC Agent.</li> </ul> |
| <b>FAC Period</b>                                | <b>36 months</b>  |
| <b>Anti-spiking Rate</b>                         | <b>25%</b>  |

**CORRECTIONS PRIMARY**

This plan has two sets of retirement eligibility requirements which depend on the employment date of the member.

→ Members who were hired **prior to August 15, 1986** have the following retirement eligibility requirements:

**Eligibilities for Regular Retirement, DROP and IBO:**

- ❖ 20 years of service credit at age any age – *the last 10 years of service credit must have been earned as a Corrections Officer immediately prior to application for retirement*

→ Members who were hired **on or after August 15, 1986** have the following retirement eligibility requirements:

**Eligibilities for Regular Retirement, DROP and IBO:**

- ❖ 20 years of service credit at age 50 – *the last 10 years of service credit must have been earned as a Corrections Officer immediately prior to application for retirement. If the member has service credit in a position other than as a Corrections Officer, then only two-thirds of this service shall be counted towards meeting the retirement eligibility requirement.*
- ❖ 25 years of service credit at any age – *the last 10 years of service credit must have been earned as a Corrections Officer immediately prior to application for retirement*

| Corrections Primary Plan Characteristics |                  |
|--|------------------|
| <b>Benefit Accrual Rate</b>              | <b>2.5%</b>      |
| <b>FAC Period</b>                        | <b>36 months</b> |
| <b>Anti-spiking Rate</b>                 | <b>25%</b>       |

Members of Corrections Primary also have the option to retire as a regular member under Regular Employee eligibilities, which include Regular Retirement with an Actuarially Reduced Benefit (20 years at any age). For more information, refer to the section Regular Employees in this chapter.

*Members of this plan are eligible to join the Corrections Secondary Component or the HAZ Plan at any time prior to retiring or participating in DROP.*

### Adult Probation and Parole Officers in Corrections Primary

This applies to Adult Probation and Parole Officers with the Department of Public Safety and Corrections who meet certain qualifications. These members may have a different benefit accrual rate than other members of the Corrections Primary Component, but they remain members of Corrections Primary and are eligible to join the HAZ Plan or Corrections Secondary at any time prior to retiring or participating in DROP.

At the time of retirement or DROP, an officer must meet the following criteria:

- Was employed as an Adult Probation and Parole Officer prior to January 1, 2002; **and**
- Never joined the secondary component; **and**
- Retires or enters DROP on or after July 1, 2014, as an Adult Probation and Parole Officer.

**Any member who meets these requirements shall receive a three percent (3%) accrual rate for all service earned prior to July 1, 2014, and a three and one-third percent (3⅓ %) accrual rate for all service earned on or after July 1, 2014, regardless of whether the service was earned as an Adult Probation and Parole Officer (this includes Regular Plan service).**

These provisions also apply to Adult Probation and Parole Officers who meet the above requirements and who joined the HAZ plan, without ever joining the secondary component, and without upgrading their prior service. **Any member who falls into this category will receive a three percent (3%) accrual rate for service earned prior to July 1, 2014, or prior to joining the HAZ Plan, whichever occurred first.**

This **does not** apply to officers who meet any of the following:

- Those who retired prior to July 1, 2014
- Those who were first employed as an Adult Probation and Parole Officer on or after January 1, 2002
- Those who participated in DROP prior to July 1, 2014, and who joined the secondary component post-DROP
- Those who joined the secondary component and paid to upgrade their prior service

***NOTE:** Members who have remained in the primary component may be adversely affected by the decision to move to the secondary component after July 1, 2014. It is strongly suggested that members obtain estimates prior to making this decision.*

**CORRECTIONS SECONDARY**

**Eligibilities for Regular Retirement, DROP and IBO:**

- ❖ 10 years of service credit at age 60
- ❖ 25 years of service credit at any age

Members of this plan **do not** have the option to retire with 20 years of service credit at any age with an actuarial reduction.

| Corrections Secondary Plan Characteristics |           |
|--|-----------|
| Benefit Accrual Rate                       | 3½ %      |
| FAC Period                                 | 36 months |
| Anti-spiking Rate                          | 25%       |

Members of the Corrections Primary Component are eligible to join Corrections Secondary. Members of Corrections Secondary are eligible to join the HAZ Plan at any time prior to retiring or participating in DROP.

**Adult Probation and Parole Officers Who Elected to Join Corrections Secondary**

This applies to Adult Probation and Parole Officers with the Department of Public Safety and Corrections who meet certain qualifications. These members may have a different benefit accrual rate than other members of the Corrections Secondary Component, but they remain members of Corrections Secondary and are eligible to join the HAZ Plan at any time prior to retiring or participating in DROP.

At the time of retirement or entering DROP, an officer must meet the following criteria:

- Was employed as an Adult Probation and Parole Officer prior to January 1, 2002; **and**
- Joined the secondary component; **and**
- Did not upgrade his or her service credit; **and**
- Retires or enters DROP on or after July 1, 2014, as an Adult Probation and Parole Officer.

**Any member who meets these requirements shall receive a three percent (3%) accrual rate for all service earned prior to joining the secondary component, regardless of whether the service was earned as an Adult Probation and Parole Officer (this includes Regular Plan service).**

This **does not** apply to officers who meet any of the following:

- Those who retired prior to July 1, 2014
- Those who were first employed as Adult Probation and Parole Officers on or after January 1, 2002
- Those who participated in DROP prior to July 1, 2014, and who joined the secondary component post-DROP
- Those who joined the secondary component and paid to upgrade their prior service

**PEACE OFFICER**

**Eligibilities for Regular Retirement, DROP and IBO:**

- ❖ 10 years of service credit at age 60
- ❖ 25 years of service credit at age 55
- ❖ 30 years of service credit at any age

**Eligibility for Regular Retirement with an Actuarially Reduced Benefit:**

- ❖ 20 years of service credit at any age – *the actuarial reduction is based on the number of months that the member is away from unreduced Peace Officer retirement eligibility*

*Members of this plan are eligible to join the HAZ Plan at any time prior to retiring or participating in DROP.*

| Peace Officer Plan Characteristics |   |
|------------------------------------|---|
| <b>Benefit Accrual Rate</b>        | Depends on the date of hire: <ul style="list-style-type: none"> <li>❖ If hired as a Peace Officer <i>on or before June 30, 2006</i>, member will receive a 3½% accrual rate for all years of service, even for years not worked as a Peace Officer.</li> <li>❖ If hired as a Peace Officer between <i>July 1, 2006 and December 31, 2010</i>, member will receive a 3½% accrual rate only for years worked as a Peace Officer and any prior service credit will be at accrual rate earned.</li> </ul> |
| <b>FAC Period</b>                  | <b>36 months</b>  |
| <b>Anti-spiking Rate</b>           | <b>25%</b>  |

**WILDLIFE AGENTS**

A wildlife agent has two sets of retirement eligibility requirements depending on the employment date of the member. Separate DROP eligibility requirements apply.

→ Members who were hired **prior to July 1, 2003** have the following eligibility requirements:

**Eligibilities for Regular Retirement and IBO:**

- ❖ 10 years of service credit at age 55
- ❖ 20 years of service credit at any age

→ Members who were hired **on or after July 1, 2003** have the following eligibility requirements:

**Eligibilities for Regular Retirement and IBO:**

- ❖ 10 years of service credit at age 60
- ❖ 25 years of service credit at any age

*Eligibility for DROP is not dependent upon the member's hire date.*

**Eligibilities for DROP:**

- ❖ 10 years of service credit at age 60 – *the last 10 years of service credit must be earned as a Wildlife Agent.*
- ❖ 25 years of service credit at any age – *the last 10 years of service credit must be earned as a Wildlife Agent*

*Members of this plan are eligible to join the HAZ Plan at any time prior to retiring or participating in DROP.*

| Wildlife Agents Plan Characteristics |   |
|--------------------------------------|---|
| <b>Benefit Accrual Rate</b>          | Depends on the date of hire: <ul style="list-style-type: none"> <li>❖ 3% accrual rate for service credit earned <i>prior to July 1, 2003</i></li> <li>❖ 3½% accrual rate for service credit earned <i>on or after July 1, 2003</i></li> <li>❖ If last 10 years were not earned as a Wildlife Agent, then member will only receive a 2.5% accrual rate.</li> </ul> |
| <b>FAC Period</b>                    | <b>36 months</b>  |
| <b>Anti-spiking Rate</b>             | <b>25%</b>  |

**HAZARDOUS DUTY SERVICES (HAZ PLAN)**

In order for service credit to count towards HAZ Plan retirement eligibility, all service credit must be earned in the HAZ Plan or transferred into the HAZ Plan.

**Eligibilities for Regular Retirement, DROP and IBO:**

- ❖ 12 years of service credit at age 55\*
- ❖ 25 years of service credit at any age\*

**Eligibility for Regular Retirement with an Actuarially Reduced Benefit:**

- ❖ 20 years of service credit at any age\* – the actuarial reduction is based on the number of months that the member is away from unreduced HAZ Plan Regular retirement eligibility

\*All service credit must be earned in the HAZ Plan or transferred into the HAZ Plan.

Members of this plan also have the option to retire as a regular member but only if the member is not eligible under the HAZ Plan. All of the member's service must have been worked in the HAZ Plan or transferred into the plan. Once a member has elected to retire under regular eligibilities, he or she will retire as a member of Regular Employees 3 and will be subject to those provisions. For more information, refer to the section *Regular Employees 3* in this chapter.

**NOTE:** *The premiums for health insurance coverage paid by any retiree participating in the Office of Group Benefits program who transferred service credit into the HAZ Plan and retired with 12 years of service credit at age 55 or 25 years of service credit at any age shall be permanently increased by an amount sufficient to pay for any increase in the employer's premiums resulting from his or her retirement. There is no health insurance premium increase for any retiree who transferred service credit into the HAZ Plan and retired with 20 years of service at any age or under Regular Employee 3 eligibilities.*

| Hazardous Duty Plan Characteristics |   |
|-------------------------------------|---|
| <b>Benefit Accrual Rate</b>         | Depends on the date of hire: <ul style="list-style-type: none"> <li>❖ If last 10 years of service credit were worked in the HAZ Plan, then <b>member will receive a 3½% accrual rate for all years worked in or transferred AND upgraded to the HAZ Plan.</b></li> <li>❖ If last 10 years of service credit were worked in the HAZ Plan and member transferred but did not upgrade service credit to the HAZ Plan, then <b>member will receive a 3½% accrual rate for years worked in the HAZ Plan and will receive prior service credit at the accrual rate it was earned.</b></li> <li>❖ If last 10 years of service credit were not worked in the HAZ Plan, then <b>member will receive a 2.5% accrual rate for all years worked in the HAZ Plan and will receive upgraded service credit at the accrual rate at which it was earned.</b></li> </ul> |
| <b>FAC Period</b>                   | <b>60 months</b>  |
| <b>Anti-spiking Rate</b>            | <b>15%</b>  |

### JUDICIAL EMPLOYEES

**Eligibilities for Regular Retirement, DROP and IBO:**

- ❖ 10 years of service credit as a Judge or Court Officer at age 65
- ❖ 12 years of service credit as a Judge or Court Officer at age 55
- ❖ 18 years of service credit as a Judge or Court Officer at any age
- ❖ 20 years of total service credit at age 50, with at least 12 years as a Judge or Court Officer
- ❖ Any number of years of service credit as a Judge or Court Officer at age 70

| Judicial Employees Plan Characteristics |   |
|---|---|
| <b>Benefit Accrual Rate</b>             | 2.5% plus an additional 1% for all years served as a Judge or Court Officer |
| <b>FAC Period</b>                       | <b>36 months</b>  |
| <b>Anti-spiking Rate</b>                | <b>25%</b>  |

In addition to the retirement eligibility requirements listed above, members of this plan may also choose to retire under *Regular Employees* or *Regular Employees 2* retirement eligibilities, depending upon when the member entered the system. This also includes **Regular Retirement with an Actuarially Reduced Benefit (20 years at any age)**. For more information, refer to the sections *Regular Employees* and *Regular Employees 2* in this chapter.

### JUDICIAL EMPLOYEES 2

**Eligibilities for Regular Retirement, DROP and IBO:**

- ❖ 5 years of service credit at age 60

**Eligibility for Regular Retirement with an Actuarially Reduced Benefit:**

- ❖ 20 years of service credit at any age – *the actuarial reduction is based on the number of months that the member is away from unreduced Judicial Employees 2 retirement eligibility*

| Judicial Employees 2 Plan Characteristics |  |
|---|--|
| <b>Benefit Accrual Rate</b>               | 2.5% plus an additional 1% for all years served as a Judge |
| <b>FAC Period</b>                         | <b>60 months</b>   |
| <b>Anti-spiking Rate</b>                  | <b>15%</b>   |

### JUDICIAL EMPLOYEES 3

**Eligibilities for Regular Retirement, DROP and IBO:**

- ❖ 5 years of service credit at age 62

**Eligibility for Regular Retirement with an Actuarially Reduced Benefit:**

- ❖ 20 years of service credit at any age – *the actuarial reduction is based on the number of months that the member is away from unreduced Judicial Employees 3 retirement eligibility*

| Judicial Employees 3 Plan Characteristics |  |
|---|--|
| <b>Benefit Accrual Rate</b>               | 2.5% plus an additional 1% for all years served as a Judge |
| <b>FAC Period</b>                         | <b>60 months</b>   |
| <b>Anti-spiking Rate</b>                  | <b>15%</b>   |

### APPELLATE LAW CLERK

**Eligibilities for Regular Retirement, DROP and IBO:**

- ❖ 10 years of service credit as a Law Clerk at age 65
- ❖ 12 years of service credit as a Law Clerk at age 55
- ❖ 18 years of service credit as a Law Clerk at any age
- ❖ 20 years of total service credit at age 50, with at least 12 years as a Law Clerk
- ❖ Any number of years of service credit as a Law Clerk at age 70

| Appellate Law Clerk Plan Characteristics |                  |
|--|------------------|
| <b>Benefit Accrual Rate</b>              | <b>2.5%</b>      |
| <b>FAC Period</b>                        | <b>36 months</b> |
| <b>Anti-spiking Rate</b>                 | <b>25%</b>       |

Members of this plan also have the option to retire as a regular member under Regular Employee eligibilities, which include **Regular Retirement with an Actuarially Reduced Benefit (20 years at any age)**. For more information, refer to the section *Regular Employees* in this chapter.

### APPELLATE LAW CLERK 2

**Eligibilities for Regular Retirement, DROP and IBO:**

- ❖ 10 years of service credit as a Law Clerk at age 65
- ❖ 12 years of service credit as a Law Clerk at age 55
- ❖ 18 years of service credit as a Law Clerk at any age
- ❖ 20 years of total service credit at age 50, with at least 12 years as a Law Clerk
- ❖ Any number of years of service credit as a Law Clerk at age 70

| Appellate Law Clerk 2 Plan Characteristics |                  |
|--|------------------|
| <b>Benefit Accrual Rate</b>                | <b>2.5%</b>      |
| <b>FAC Period</b>                          | <b>60 months</b> |
| <b>Anti-spiking Rate</b>                   | <b>15%</b>       |

Members of this plan also have the option to retire as a regular member under Regular Employee 2 eligibilities, which include **Regular Retirement with an Actuarially Reduced Benefit (20 years at any age)**. For more information, refer to the section *Regular Employees 2* in this chapter.

### LEGISLATOR

**Eligibilities for Regular Retirement, DROP and IBO:**

- ❖ 16 years of service credit as a Legislator\* at any age
- ❖ 12 years of service credit as a Legislator\* at age 55
- ❖ 20 years at age 50; at least 12 years of service credit as a Legislator\*

\*Service Credit earned in one of the following positions counts towards Legislator eligibility:

- Members of the Louisiana Legislature
- Governor
- Lieutenant Governor
- State Treasurer

| Legislator Plan Characteristics |  |
|---------------------------------|--|
| <b>Benefit Accrual Rate</b>     | 2.5% plus an additional 1% for all years served as a Legislator* |
| <b>FAC Period</b>               | <b>36 months</b>   |
| <b>Anti-spiking Rate</b>        | <b>25%</b>   |

Members of the Legislator plan also have the option to retire under Special Legislative Employee eligibilities and as a regular member under Regular Employee eligibilities, which include **Regular Retirement with an Actuarially Reduced Benefit (20 years at any age)**. For more information, refer to the appropriate section on *Regular Employees* in this chapter.

## LEGISLATOR 2

Very few members fit this category. Therefore, for information on retirement eligibility for members of the Legislator 2 plan, please contact LASERS at 800.256.3000 or 225.922.0600.

### SPECIAL LEGISLATIVE EMPLOYEES

#### Eligibility for Regular Retirement, DROP and IBO:

- ❖ 20 years of service credit at age 50, with at least 12 years earned as a member of this plan\*

\*Service Credit earned in one of the following positions counts towards Special Legislative eligibility:

- Members of the Louisiana Legislature
- Clerk or Sergeant-at-Arms of the House of Representatives
- Secretary or Sergeant-at-Arms of the Senate
- President of the Senate
- Governor
- Lieutenant Governor
- State Treasurer

| Special Legislative Employees Plan Characteristics |   |
|--|---|
| <b>Benefit Accrual Rate</b>                        | 2.5% plus an additional 1% for all years served as a Legislator* or employee of the Legislature |
| <b>FAC Period</b>                                  | <b>36 months</b>  |
| <b>Anti-spiking Rate</b>                           | <b>25%</b>  |

Members of this plan also have the option to retire as a regular member under Regular Employee eligibilities, which include **Regular Retirement with an Actuarially Reduced Benefit (20 years at any age)**. For more information, refer to the appropriate section on *Regular Employees* in this chapter.

### STATE TREASURER

#### Eligibilities for Regular Retirement, DROP and IBO:

- ❖ 16 years of service credit as State Treasurer\* at any age
- ❖ 12 years of service credit as State Treasurer\* at age 55

\*Service Credit earned in one of the following positions counts towards State Treasurer eligibility:

- Members of the Louisiana Legislature
- Governor
- Lieutenant Governor
- State Treasurer

| State Treasurer Plan Characteristics |                               |
|--------------------------------------|-------------------------------|
| <b>Benefit Accrual Rate</b>          | <b>2.5%</b>                   |
| <b>FAC Period</b>                    | <b>36 months or 60 months</b> |
| <b>Anti-spiking Rate</b>             | <b>15% or 25%</b>             |

Members of this plan also have the option to retire as a regular member under **Regular Employee eligibilities, which include Regular Retirement with an Actuarially Reduced Benefit (20 years at any age)**. For more information, refer to the appropriate section on *Regular Employees* in this chapter.

**BRIDGE POLICE EMPLOYEES**

**Eligibilities for Regular Retirement, DROP and IBO:**

- ❖ 25 years of service credit at age any age – at least 10 years of service credit must have been earned in a Bridge Police eligible position immediately prior to applying for retirement

Members of this plan also have the option to retire as a regular member under Regular Employee eligibilities, which include **Regular Retirement with an Actuarially Reduced Benefit (20 years at any age)**. For more information, refer to the section *Regular Employees* in this chapter.

*Members of this plan are eligible to join the HAZ Plan at any time prior to retiring or participating in DROP.*

| Bridge Police Employees Plan Characteristics |           |
|--|-----------|
| Benefit Accrual Rate                         | 2.5%      |
| FAC Period                                   | 36 months |
| Anti-spiking Rate                            | 25%       |

**BRIDGE POLICE EMPLOYEES 2**

**Eligibilities for Regular Retirement, DROP and IBO:**

- ❖ 25 years of service credit at age any age – at least 10 years of service credit must have been earned in a Bridge Police eligible position immediately prior to application for retirement

Members of this plan also have the option to retire as a regular member under Regular Employee 2 eligibilities, which include **Regular Retirement with an Actuarially Reduced Benefit (20 years at any age)**. For more information, refer to the section *Regular Employees 2* in this chapter.

*Members of this plan are eligible to join the HAZ Plan at any time prior to retiring or participating in DROP.*

| Bridge Police Employees 2 Plan Characteristics |           |
|--|-----------|
| Benefit Accrual Rate                           | 2.5%      |
| FAC Period                                     | 60 months |
| Anti-spiking Rate                              | 15%       |

**NEW ORLEANS HARBOR POLICE**

**Eligibilities for Regular Retirement:**

- ❖ 10 years of service credit at age 60
- ❖ 20 years of service credit at age 45
- ❖ 12 years of service credit at age 55
- ❖ 25 years of service credit at any age

**Eligibilities for DROP:**

- ❖ 12 years of service credit at age 55
- ❖ Must be eligible for regular retirement and have at least 20 years of service credit, but less than 30 years of service credit

*Members of this plan who hold a commission are eligible to join the HAZ Plan at any time prior to retiring or participating in DROP.*

| New Orleans Harbor Police Plan Characteristics |           |
|--|-----------|
| Benefit Accrual Rate                           | 3⅓%       |
| FAC Period                                     | 36 months |
| Anti-spiking Rate                              | N/A       |

## Frequently Asked Questions

### 1. Can a member use his or her leave conversion to reach retirement eligibility?

*No. A member must reach retirement eligibility prior to any conversion of sick and annual leave.*

### 2. How does a member know if he or she has a 36-month FAC or a 60-month FAC?

*A member's retirement plan determines the number of months that are included in his or her FAC. Information on the member's plan is located on the member's annual statement and can be viewed through [myLASERS](#) or [Employer Self-Service](#).*

### 3. Which plans can join the HAZ Plan at any time prior to retirement or entering DROP?

*Members of Alcohol and Tobacco Control, Corrections Primary, Corrections Secondary, Peace Officer, Wildlife Agents, Bridge Employees and New Orleans Harbor Police are eligible to join the HAZ Plan prior to retirement or entering DROP.*

### 4. Is the decision to join the HAZ Plan irrevocable?

*Yes, once a member has made the decision to join the HAZ Plan, the decision is irrevocable. Once a member joins the HAZ Plan, his or her new earliest eligible plan date becomes January 1, 2011.*

### 5. If a member of the HAZ Plan is not eligible to retire under the HAZ Plan, can he or she retire under regular retirement eligibilities?

*Yes, if a member is not eligible to retire under the HAZ Plan, then he or she can choose to retire under regular retirement eligibilities.*

*However, the member will retire under Regular Employees 3 or Regular Employees 4 based on the first eligible date of membership and will be subject to the provisions of this plan.*

## Reference Material

### APPLICABLE AGENCY LIAISON MEMORANDA

- [06-08: Act 75 of the 2005 Regular Session](#)
- [10-12: Termination Date](#)
- [10-19: Act 992 Hazardous Duty Personnel](#)
- [10-26: Act 992 New Retirement Plan Codes](#)
- [11-04: DROP and Retirement Eligibility Changes for Employees Covered Under the Provisions of Act 75](#)
- [11-05: Important Act 992 Reminders](#)
- [11-14: LASERS Eligibility for Part-time Employees](#)
- [11-32: Vesting in LASERS for Rank-and-File Members](#)
- [13-19: Selecting a Retirement Date](#)
- [14-13: Commission and Board Members Not Eligible for LASERS](#)

### APPLICABLE LAWS & RULES

**(Note: this list is not exhaustive)**

- [La. R.S. 11:164](#) Part-time Public Officials
- [La. R.S. 11:191](#) Dual Employment
- [La. R.S. 11:231](#) Average Compensation
- [La. R.S. 11:403](#) Definitions
- [La. R.S. 11:411](#) Eligibility for Membership
- [La. R.S. 11:412](#) Membership Service Eligibility
- [La. R.S. 11:441](#) Eligibility for Retirement
- [La. R.S. 11:444](#) Computation of Retirement Benefits
- [La. R.S. 11:445](#) Payment of Benefits; Guaranteed Return of Accumulated Contributions
- [La. R.S. 11:551](#) Eligibility for Membership - Judges and Officers of the Court
- [La. R.S. 11:552](#) Effect of Failure to Exercise Option
- [La. R.S. 11:553](#) Eligible Judges and Court Officers
- [La. R.S. 11:554](#) Exercise of Option
- [La. R.S. 11:555](#) Membership and Credit; Additional
- [La. R.S. 11:556](#) Exercise of Option; Additional Time Granted
- [La. R.S. 11:557](#) Additional Benefits

- [La. R.S. 11:558](#) [Eligibility for Retirement](#)
- [La. R.S. 11:565.1](#) [Credit for Service as Fulltime Law Clerk](#)
- [La. R.S. 11:582](#) [Eligibility; Benefits](#)
- [La. R.S. 11:601](#) [Application; Definitions - Public Safety Services](#)
- [La. R.S. 11:602](#) [Eligibility for Membership](#)
- [La. R.S. 11:605](#) [Transfer of Other Service Credit](#)
- [La. R.S. 11:611](#) [Creation of Hazardous Duty Services Plan](#)
- [La. R.S. 11:612](#) [Application; Definitions](#)
- [La. R.S. 11:613](#) [Eligibility for Plan Membership](#)
- [La. R.S. 11:614](#) [Eligibility for Retirement](#)
- [La. R.S. 11:3685](#) [Benefits](#)
- [La. R.S. 11:3685.2](#) [Computation of Retirement Benefits](#)
- [La. R.S. 11:3685.3](#) [Annual Compensation Limitation for Determination of Benefits](#)
- [La. R.S. 24:36](#) [Additional Benefits Payable to Legislators; Certain Legislative Personnel; Governor; Lieutenant Governor; Political Subdivision Service Credit; Credit for Service Previously Rendered; Additional Contributions; Computation of Benefits Payable; Membership](#)
- [La. R.S. 40:2402\(3\)\(a\)](#) [Definitions](#)

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

- [Chapter 8: Retirement Eligibility and Final Average Compensation](#)
- [Chapter 23: Hazardous Duty Services Plan \(HAZ Plan\)](#)
- [Chapter 25: Bridge Police Hired Prior to 01/01/11](#)
- [Chapter 26: Correctional Officers Hired Prior to 01/01/11](#)
- [Chapter 27: Peace Officers Hired after 01/01/11](#)
- [Chapter 28: Alcohol and Tobacco Agents Hired Prior to 01/01/11](#)
- [Chapter 29: Wildlife Agents Hired Prior to 01/01/11](#)
- [Chapter 30: Legislative Plan Hired Prior to 01/01/11](#)
- [Chapter 31: Judges and Court Officers Prior to 01/01/11](#)
- [Chapter 32: Judges Elected on or After 01/01/11](#)
- [Chapter 33: Appellate Law Clerks Hired Prior to 01/01/11](#)

### APPLICABLE LASERS VIDEO

- [What is Your Retirement Plan & Retirement Eligibility?](#)

# Chapter 9: Retirement Options & Cost-of-Living Adjustments

## Content

### [Overview](#)

### [Retirement Options](#)

- [Maximum Option](#)
- [Option 1](#)
- [Option 2A](#)
- [Option 2B](#)
- [Option 3](#)
- [Option 4A](#)
- [Option 4B](#)

### [Retirement Options for Specialty Plans](#)

### [Option Changes](#)

- [Death of a Beneficiary](#)
- [Divorce After Retirement](#)

### [Cost-Of-Living Adjustments](#)

- [System Generated COLAs](#)
- [The Self-Funded COLA](#)

## Quick Links

### [Reference Material](#)

- [Applicable Forms](#)
- [Applicable Agency Liaison Memoranda](#)
- [Applicable Laws](#)
- [Applicable Chapter in Member's Guide to Retirement](#)
- [Applicable LASERS Videos](#)

## Frequently Asked Questions

## Quick Reference: Retirement Options

## Overview

At the time of retirement or entry into the Deferred Retirement Option Plan (DROP), a member must select a retirement option that will suit his or her retirement needs. The monthly retirement benefit received by a member and his or her beneficiary depends on which option is chosen at retirement. A member's retirement benefit is guaranteed for life, but depending upon the retirement option the member selects, the beneficiary may receive a lifetime benefit upon the member's death or a one-time lump sum refund of any employee contributions that remain in the system upon the member's death. If a member chooses to leave his or her spouse a monthly benefit in the event of death, the spouse will receive that benefit for life, even in the event of remarriage. However, for members of the Wildlife Agents Plan, the surviving spouse's benefit may be terminated in the event of remarriage (refer to the section *Wildlife Agents Plan* in this chapter).

## Retirement Options

LASERS offers seven retirement options from which members may choose (for information on options for specialty plans, refer to the *Specialty Plans* section of this chapter). At the time of retirement, a member should review each option thoroughly and choose the option that best suits his or her retirement situation.

If a married member selects an option that does not leave at least 50 percent of a monthly benefit to his or her current spouse, then the spouse must sign [Form 04-04: Spousal Consent](#) in the presence of a Notary Public and submit the notarized form to LASERS.

### MAXIMUM OPTION

The Maximum Option pays the highest monthly benefit to the member until his or her death. It is calculated using the basic retirement formula of multiplying years of service, accrual rate and final average compensation. The Maximum Option **does not** provide a lifetime monthly benefit to a beneficiary. Upon the member's death, the named beneficiary(ies) will receive a one-time, lump sum payment of any remaining employee contributions. Employee contributions are typically exhausted within two to three years after the member has retired or entered DROP.

The Maximum Option allows the member to name more than one beneficiary and change the beneficiary(ies) at any time after retirement or while participating in DROP. Since the Maximum Option does not leave a lifetime monthly benefit to a beneficiary, a married member may not select the Maximum Option without the consent of his or her spouse. [Form 04-04: Spousal Consent](#) must be submitted with the member's retirement application.

### OPTION 1

Option 1 pays a slightly reduced monthly benefit to the member for his or her lifetime. The Option 1 reduction is based on the amount of the employee contributions and the member's age at the time of his or her retirement.

Option 1 **does not** provide a lifetime monthly benefit to a beneficiary. Upon the member's death, the named beneficiary(ies) will receive a one-time, lump sum payment of any remaining employee contributions. The employee contributions are depleted at an actuarially reduced rate and are typically exhausted within eight to ten years after the member has retired or entered DROP. *Option 1 is not available to members who choose the Initial Benefit Option (IBO).*

Option 1 allows the member to name more than one beneficiary and change beneficiary(ies) at any time after retirement or while participating in DROP. Since Option 1 does not leave a lifetime monthly benefit to a beneficiary, a married member may not select this option without the consent of his or her spouse. [Form 04-04: Spousal Consent](#) must be submitted with the member's retirement application.

### OPTION 2A

Option 2A pays a reduced monthly benefit to the member for his or her lifetime and a benefit of equal amount to the named beneficiary after the member's death. The benefit reduction is based on the age of the member and the beneficiary at the time of the member's retirement.

Option 2A leaves a lifetime benefit to only *one* beneficiary. The beneficiary is named at the time of retirement or entry into DROP. The beneficiary cannot be changed after retirement unless the beneficiary predeceases the member or divorces the member (refer to the *Option Changes* section in this chapter). In addition, because Option 2A leaves a lifetime benefit to a beneficiary, a married member who selects Option 2A and names his or her spouse as the beneficiary is *not* required to obtain spousal consent.

**NOTE:** *Members should be aware that with certain options, their beneficiary's age affects the amount of their retirement benefit. Options 2A, 2B, 3 and 4B are calculated based on the member's age and beneficiary's age at retirement. The reduction to the benefit is an actuarial calculation based on the life expectancy of the member and beneficiary. For example, if Option 2A is selected for retirement, the benefit reduction would be greater if the beneficiary's age was 12 rather than 60.*

### OPTION 2B

Option 2B is only available to members with a mentally handicapped child or children. Option 2B pays a reduced monthly benefit to the member for his or her lifetime. The benefit reduction is based on the age of the member, the beneficiary, and the mentally handicapped child or children at the time of the member's retirement. Upon the member's death, the beneficiary receives a lifetime benefit of equal amount as the member. Upon the beneficiary's death, that benefit is paid to the legal guardian of the mentally handicapped child or children, or to a trust created for the benefit of the child or children, for the remainder of the child's life.



**Option 2B**  
*is not available to members whose child or children have only a physical handicap.*

Option 2B leaves a lifetime benefit to only *one* beneficiary and to a mentally handicapped child or children upon the beneficiary's death. The beneficiary is named at the time of retirement or entry into DROP, and cannot be changed after retirement. In addition, because Option 2B leaves a lifetime benefit to a beneficiary, a married member who selects Option 2B and names his or her spouse as the beneficiary is *not* required to obtain spousal consent.

When selecting Option 2B, the member must submit [Form 06-03: Option 2B Mentally Handicapped Designee](#) along with the appropriate retirement or DROP application. This form must be certified by a physician.

### OPTION 3

Option 3 pays a reduced monthly benefit to the member for his or her lifetime and a benefit to the named beneficiary after the member's death. The Option 3 benefit reduction is based on the age of the member and the beneficiary at the time of the member's retirement. Upon the member's death, the beneficiary receives 50 percent of the member's benefit for life.

Option 3 leaves a lifetime benefit to only *one* beneficiary. The beneficiary is named at the time of retirement or entry into DROP, and cannot be changed after retirement. In addition, because Option 3 leaves a lifetime benefit to a beneficiary, a married member who selects Option 3 and names his or her spouse as the beneficiary is *not* required to obtain spousal consent.

### OPTION 4A

Option 4A is only available to members who have been married for at least two years at the time of their retirement. Only a member's spouse can be named as the beneficiary. If a member selects option 4A, then a marriage license must be submitted along with the retirement application. This option pays the member 90 percent of the Maximum Option benefit for the remainder of his or her life. Upon the member's death, his or her spouse will receive 55 percent of the member's Maximum Option benefit for the remainder of the spouse's life. *This option is not available to Disability retirees.*

### OPTION 4B

Option 4B pays a reduced monthly benefit to the member for his or her lifetime and a benefit to the named beneficiary after the member's death. The benefit reduction is based on the age of the member and the beneficiary at the time of the member's retirement. Upon the member's death, the beneficiary receives 55 percent of the member's benefit for life.

Option 4B leaves a lifetime benefit to only *one* beneficiary. The beneficiary is named at the time of retirement or entry into DROP, and cannot be changed after retirement. In addition, because Option 4B leaves a lifetime benefit to a beneficiary, a married member who selects Option 4B and names his or her spouse as the beneficiary is *not* required to obtain spousal consent.

### Quick Reference: Retirement Options

| Retirement Option | Member Benefit (lifetime benefit)  | Beneficiary Benefit (upon death of member)  |
|-------------------|--|---|
| Maximum Option    | 100 percent  | One-time lump sum payment of any unused employee contributions  |
| Option 1          | Reduced amount from maximum (not available for IBO)  | One-time lump sum payment of any unused employee contributions  |
| Option 2A         | Reduced amount based on age of retiree and beneficiary at retirement   | Same amount as member’s benefit for remainder of life   |
| Option 2B         | Reduced amount based on age of retiree, beneficiary and mentally handicapped child or children at retirement | Same amount as member’s benefit; upon death of beneficiary, mentally handicapped child or children receive same amount as beneficiary |
| Option 3          | Reduced amount based on age of retiree and beneficiary at retirement   | 50 percent of the member’s benefit for remainder of life  |
| Option 4A         | 90 percent of maximum (not available for Disability retirees)  | 55 percent of the maximum for remainder of life   |
| Option 4B         | Reduced amount based on age of retiree and beneficiary at retirement   | 55 percent of the member’s benefit for remainder of life  |

## Retirement Options for Specialty Plans

Members of most specialty retirement plans have the same options available as regular plan members. However, there are a few specialty plans whose options are directed by statute.

### HAZARDOUS DUTY SERVICES PLAN (HAZ PLAN)

Members of the HAZ Plan (HAZP) will not select a retirement option at retirement because their options are directed by statute. Upon retirement, the member will receive the maximum monthly benefit for his or her lifetime. Upon the member’s death, the spouse will receive 75 percent of the member’s monthly benefit

until his or her death. A surviving spouse is eligible for a lifetime benefit regardless of the length of the marriage, and the benefit will not be terminated upon remarriage.

If there is no surviving spouse, then the minor child(ren) of the member will receive the same benefit as surviving child(ren) of Regular Plan members hired on or after January 1, 2011, until no qualifying child remains (refer to *Survivor Benefits* in [Chapter 6: Survivor Benefits](#)). Because the survivor’s benefits are directed by statute, the member’s beneficiaries are not determined until the death of the member. In addition, because the HAZ Plan leaves a lifetime benefit to the spouse, spousal consent is *not* required.

## JUDICIAL PLAN

Members of the Judicial Plan who were employed prior to January 1, 2011, have the option to choose the Judicial Maximum Option or any of the seven regular options (Maximum Option, Option 1, Option 2A, Option 2B, Option 3, Option 4A, and Option 4B).

The Judicial Maximum Option pays the maximum monthly benefit to the member for his or her lifetime. Upon the member's death, the Judicial Maximum Option pays the member's *spouse at the time of death* a monthly benefit for life.

The spouse receives the **greater** of one-half of the Judicial Maximum retirement benefit or one-third of the member's final salary. Because the Judicial Maximum Option directs a lifetime benefit to a survivor by statute, the only beneficiary that may be selected at the time of death is the spouse. In addition, because the Judicial Maximum Option leaves a lifetime benefit to the spouse, spousal consent is *not* required.

If a member of this class selects any option other than the Judicial Maximum Option, then judicial survivor benefits will not be payable. The beneficiary(ies) would be paid based upon the option selected at the time of retirement.

**NOTE:** *Members of the Judicial Plan who were employed on or after January 1, 2011 do not have the retirement option of Judicial Maximum. They are only eligible to choose one of the seven regular retirement options.*

## WILDLIFE AGENTS PLAN (NON-HAZ PLAN MEMBERS)

Wildlife agents with the Enforcement Division of the Department of Wildlife and Fisheries hired prior to January 1, 2011, will not select a retirement option at retirement because their options are directed by statute. Upon retirement, the member receives the maximum monthly benefit for his or her lifetime. Upon the member's death, 75 percent of the member's monthly benefit will be paid to survivors in the following order of priority:

- ① **Surviving spouses** are eligible for a lifetime benefit, if they remain unmarried until the surviving spouse is 55 years of age. If the surviving spouse remarries *after age 55*, their benefit will not be terminated. If the surviving spouse remarries *prior to age 55*, their benefit *will be terminated and will not resume* upon the divorce or death of the new spouse.
- ② **Minor children** are eligible until no qualifying child remains.
- ③ **Parents who derived their main support from the member** are eligible for their lifetime.

Because the survivor's benefits are directed by statute, the member's beneficiaries are not determined until the member's death. In addition, because the Wildlife Agents Plan leaves a lifetime benefit to the spouse, spousal consent is *not* required.

## HARBOR POLICE EMPLOYEES PLAN (HARP)

For information regarding retirement options available for HARP, refer to Chapter **XX**: Harbor Police Employees Plan.

## Option Changes

A member cannot change a retirement option once the date of retirement has passed. However, there are two exceptions that would allow a member to change an option after retirement:

- ① Death of a beneficiary
- ② Divorce after retirement

### DEATH OF A BENEFICIARY

If the member selects any option other than the Maximum Option, then upon the death of the beneficiary, the retiree may request to have his or her benefit increased to the amount that it would have been had the member initially selected the Maximum Option. The member would need to submit [Form 10-07: Application for Change in Retirement Benefit Due to Death of Beneficiary](#) or a signed letter asking to have his or her benefit reverted to the maximum option. A copy of the beneficiary's death certificate must be submitted to LASERS along with the request.

If the beneficiary died prior to June 17, 2008, then the increase in the retirement benefit amount would be effective on the first of the month following the *receipt of request* to revert to maximum. If the beneficiary died on or after June 17, 2008, then the increase in the retirement benefit amount would be effective on the first of the month following the *death of the beneficiary* regardless of when LASERS was notified.

Once the benefit has been changed to the Maximum Option, the retired member may name another beneficiary; however, the beneficiary will only receive a one-time lump sum payment of any remaining employee contributions in the system, **not** a lifetime benefit.

**NOTE:** *An Option 1 retiree with multiple beneficiaries cannot increase to the maximum option until all named beneficiaries are deceased.*

### DIVORCE AFTER RETIREMENT

In the event of a divorce from the named beneficiary, the retired member may request to have the benefit increased to the actuarial equivalent of the maximum benefit by submitting [Form 10-06: Application for Change in Retirement Benefit Due to Divorce](#) to LASERS along with a certified copy of the court order stating that the member's spouse has irrevocably relinquished all rights to a survivor benefit.

The cost to calculate the actuarial equivalent of the maximum benefit is \$150.00. If the member is currently retired, LASERS will deduct the fee from the member's retirement benefit. If the member is currently participating in DROP or working after DROP, he or she will need to submit the \$150.00 payment along with the application.

The increase in the retirement benefit amount shall be effective on the first day of the next month following official approval of the application. Once the benefit has been changed to the Maximum Option, the retired member may name another beneficiary; however, the beneficiary will only receive a one-time lump sum payment of any remaining employee contributions in the system, **not** a lifetime benefit.



**A divorced member must have a certified court order on file prior to reverting to the maximum option. Please advise members to contact the LASERS Legal Department with any questions regarding content of the court order.**

## Cost-of-Living Adjustments

There are two ways that a member may receive a cost-of-living adjustment (COLA) or permanent benefit increase after retirement:

- ① System Generated COLAs
- ② The Self-Funded COLA

### SYSTEM GENERATED COLAS

System Generated COLAs are granted by the Legislature. They are funded through excess investment returns and paid by LASERS. These COLAs are not guaranteed and the amounts vary. When granted, they are paid automatically to eligible retirees. No forms are used and no action is required by retirees in order to receive System Generated COLAs.

### THE SELF-FUNDED COLA

At the time of retirement or entry into DROP, a member may **irrevocably** elect to receive the Self-Funded COLA. **The member's monthly benefit will be actuarially reduced for the lifetime of the benefit in order to fund the Self-Funded COLA.**

Each year on the member's retirement or DROP anniversary date, a two and one-half percent cost-of-living adjustment (COLA) is added to the member's monthly benefit.



#### **Form 04-09: Self-Funded COLA Election**

*must be received  
prior to the member's  
retirement date or  
DROP start date.*

To select the Self-Funded COLA, members must submit [Form 04-09: Self-Funded Cost of Living Adjustment \(COLA\) Election](#) along with their retirement or DROP application. A member may select the Self-Funded COLA at any retirement age, but it will not be payable to the member until the anniversary after he or she has turned age 55. Unlike system generated COLAs, the Self-Funded COLA is **funded by the member**;

therefore, it can take many years for the member to recoup the benefits used to fund the COLA. This COLA would be paid in addition to any system generated COLA for which the member is eligible.

**NOTE:** *Selecting the Self-Funded COLA has a substantial impact on a member's benefit. It is also an irrevocable selection that cannot be changed once a member's retirement date has passed.*

If the member selects the Self-Funded COLA at the time of entry into DROP, then it will apply to benefits received during the member's DROP participation period. The Self-Funded COLA will also apply to the member's monthly retirement benefit after DROP, even if the member works after DROP, and will apply to any supplemental retirement benefit.

If the member selects a retirement option which leaves his or her spouse a monthly benefit, then the Self-Funded COLA will be added to the monthly benefit after the member's death. However, if the member names a non-spouse beneficiary, then it will not be added to the monthly benefit after the member's death. In addition, the Self-Funded COLA is *not available to members applying for Disability retirement.*

### Benefit Estimates

It is strongly suggested that members request a benefit estimate prior to making a Self-Funded COLA selection. Each estimate (regardless of the member's retirement selection) will include the Self-Funded COLA option, and will show an estimated monthly benefit projection for up to 15 years from the member's estimated retirement date. For more information on estimates, refer to [Chapter 7: The Retirement Process](#).

### Self-Funded COLA Benefit Calculation

**Example:** Mary is retiring at age 60 with 20.00 years of service credit. She has a final average compensation of \$50,000. Her maximum benefit would be calculated as follows:

|                         |   |
|-------------------------|---|
| Average compensation    | \$50,000                                      |
| x                       | x   |
| Accrual rate            | 2.5%  |
| x                       | x   |
| Years of service credit | 20.00   |
| =                       | =   |
| <b>Maximum Benefit</b>  | <b>\$25,000 per year (\$2,083.33 monthly)</b> |

Mary's monthly maximum benefit with the Self-Funded COLA would be calculated as follows:

|  |                           |
|--|---------------------------|
| Monthly Maximum Benefit                | \$2,083.33                |
| x                                      | x                         |
| Self-Funded COLA Reduction             | 0.792440                  |
| =                                      | =                         |
| <b>Reduced Monthly Maximum Benefit</b> | <b>\$1,650.91 monthly</b> |

If Mary selects the Self-Funded COLA, she would initially receive a benefit of \$432.42 less per month (\$2,083.33 - \$1,650.91) than she would have received had she not chosen the Self-Funded COLA. Depending upon the option Mary chooses, her benefit could be further reduced.

### Regular Retirement versus Self-Funded COLA

**Example:** Mary is retiring at age 60 with 20.00 years of service credit. She has a final average compensation of \$50,000. Below is a comparison of a Regular retirement benefit to a Regular retirement benefit with the Self-Funded COLA.

#### Regular Retirement Benefit

- Maximum benefit is \$2,083.33
- No actuarial reduction to benefit
- After 15 years, Mary would have received \$374,999.40 in retirement benefits.

#### Monthly Retirement Benefit

|                      |                       |                       |
|----------------------|-----------------------|-----------------------|
| <i>After 5 years</i> | <i>After 10 years</i> | <i>After 15 years</i> |
| <b>\$2,083.33</b>    | <b>\$2,083.33</b>     | <b>\$2,083.33</b>     |

#### Regular Retirement with a Self-Funded COLA Benefit

- Reduced initial maximum benefit is \$1,650.91
- 2.5% Self-Funded COLA granted yearly on anniversary date after member turns age 55
- After 15 years, Mary would have received \$355,247.96 in retirement benefits.

#### Monthly Retirement Benefit

|                      |                       |                       |
|----------------------|-----------------------|-----------------------|
| <i>After 5 years</i> | <i>After 10 years</i> | <i>After 15 years</i> |
| <b>\$1,822.30</b>    | <b>\$2,061.76</b>     | <b>\$2,332.69</b>     |

Even though Mary's monthly benefit would be higher after 15 years, she would have received **\$19,751.44 less in total benefits** by choosing the Self-Funded COLA.

### Self-Funded COLA Break-Even Point

Based on the previous example, this chart shows a yearly comparison of retirement benefits when choosing a Regular retirement with a Self-Funded COLA versus the benefit when choosing only a Regular retirement.

If Mary had chosen Regular retirement with a Self-Funded COLA, her break-even point would be between year 19 and 20. Since she retired at age 60, she would reach her break-even point at age 80.

|         | Regular Retirement Benefit |             | Running Total of Regular Benefits | Self-Funded COLA Benefit |             | Running Total of Self-Funded COLA Benefits | Difference of Benefits Break-even Point<br>(Running total of Self-Funded COLA minus Regular Benefit) |
|---------|----------------------------|-------------|-----------------------------------|--------------------------|-------------|--|--|
|         | Monthly                    | Yearly      |                                   | Monthly                  | Yearly      |  |  |
| Year 5  | \$2,083.33                 | \$24,999.96 | \$124,999.80                      | \$1,822.30               | \$21,867.55 | \$104,132.70                               | -\$20,867.10   |
| Year 10 | \$2,083.33                 | \$24,999.96 | \$249,999.60                      | \$2,061.76               | \$24,741.12 | \$221,949.30                               | -\$28,050.30   |
| Year 15 | \$2,083.33                 | \$24,999.96 | \$374,999.40                      | \$2,332.69               | \$27,992.31 | \$355,247.96                               | -\$19,751.44   |
| Year 16 | \$2,083.33                 | \$24,999.96 | \$399,999.36                      | \$2,391.01               | \$28,692.12 | \$383,940.08                               | -\$16,059.28   |
| Year 17 | \$2,083.33                 | \$24,999.96 | \$424,999.32                      | \$2,450.79               | \$29,409.42 | \$413,349.15                               | -\$11,649.81   |
| Year 18 | \$2,083.33                 | \$24,999.96 | \$449,999.28                      | \$2,512.05               | \$30,144.66 | \$443,494.16                               | -\$6,505.12  |
| Year 19 | \$2,083.33                 | \$24,999.96 | \$474,999.24                      | \$2,574.86               | \$30,898.27 | \$474,392.44                               | -\$606.82  |
| Year 20 | \$2,083.33                 | \$24,999.96 | \$499,999.20                      | \$2,639.23               | \$31,670.73 | \$506,063.17                               | \$6,063.97   |

## Frequently Asked Questions

### 1. If a member selects the Maximum Option or Option 1, can he or she list more than one beneficiary?

Yes. A member who selects Maximum Option or Option 1 can list multiple beneficiaries and change them any time after retirement or while participating in DROP. Since these options do not leave a lifetime monthly benefit to a beneficiary, a married member may not select the Maximum Option or Option 1 without the consent of his or her spouse and must submit [Form 04-04: Spousal Consent](#).

### 2. If a member selects the Options 2A, 2B, 3, 4A, or 4B can he or she list more than one beneficiary?

No. A member choosing Options 2A, 2B, 3, 4A, or 4B can only select one beneficiary at the time of retirement and this beneficiary cannot be changed, except in the event of death of the beneficiary or divorce from the beneficiary.

### 3. Does a member's retirement option automatically revert to the maximum option if a member who chose Option 2A at retirement gets a divorce from the spouse?

No. The only way a benefit can revert to the actuarial equivalent of the maximum option after divorce is to submit a certified copy of the court order stating that the member's spouse has irrevocably relinquished the survivor rights under the option selected by the member. The member would also need to submit [Form 10-06: Application for Change in Retirement Benefit Due to Divorce](#) and a payment of \$150 for the actuarial calculation.

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

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

### 5. Once a member selects the Self-Funded COLA Option, can he or she change the selection?

No. The decision to select the Self-Funded COLA is irrevocable.

**6. If a member submits only a death certificate after the passing of a beneficiary, will his or her benefit automatically revert to the maximum option?**

*No. The member must submit [Form 10-07: Application for Change in Retirement Benefit Due to Death of a Beneficiary](#) or a signed written request that the benefit be reverted to the maximum option.*

**7. Can a member of the Wildlife Agents Plan (WLO) or HAZ Plan (HAZP) select a regular retirement option?**

*No. Members of these plans do not select a retirement option because the benefit is directed by statute.*

**8. Can a member of the Judicial Plan, hired prior to January 1, 2011, select a Regular retirement option?**

*Yes. Members of this plan can select the Judicial Maximum Option or any of the seven regular options.*

**9. Can a member of the Judicial Plan, hired on or after January 1, 2011, select the Judicial Maximum Option?**

*No. Members of this plan can only select one of the seven regular options.*

**10. Can members of HAZ Plan, Judicial Plan and Wildlife Agents Plan select the Self-Funded COLA?**

*Yes. Members of HAZ Plan, Judicial Plan and Wildlife Agents Plan are eligible to select the Self-Funded COLA. If the member selects a retirement option which leave his or her spouse a monthly benefit, then the Self-Funded COLA will be added to the monthly benefit after the member's death. However, if the beneficiary is not the member's spouse, then the Self-Funded COLA will not be added to the monthly benefit after the member's death.*

**11. Is the Self-Funded COLA available to Disability retirees?**

*No. The Self-Funded COLA is not available for Disability Retirement.*

## Reference Material

### APPLICABLE FORMS

- [01-06: Designation of Beneficiary](#)
- [04-04: Spousal Consent](#)
- [04-09: Self-Funded Cost of Living Adjustment \(COLA\) Election](#)
- [06-03: Option 2B Mentally Handicapped Designee](#)
- [10-06: Application for Change in Retirement Benefit due to Divorce](#)
- [10-07: Application for Change in Retirement Benefit due to Death of Beneficiary](#)

### APPLICABLE AGENCY LIAISON MEMORANDA

- [10-01: New Retirement Option](#)

### APPLICABLE LAWS & RULES

(Note: this list is not exhaustive)

- [La. R.S. 11:234](#) Survivor Benefits
- [La. R.S. 11:247](#) Automatic Cost-of-Living Adjustments
- [La. R.S. 11:446](#) Mode of Payment Where Option Elected
- [La. R.S. 11:551-556](#) Judges and Offices of the Court
- [La. R.S. 11:611-613](#) Hazardous Duty Services Plan
- [La. R.S. 11:3687](#) Harbor Police Employees Plan
- [Act 270 of 2009](#) Self-Funded COLA
- [Act 648 of 2014](#) Harbor Police Employees Plan
- [Act 703 of 2003](#) Wildlife Agent 2 Plan
- [Act 992 of 2010](#) Hazardous Duty Services Plan

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

- [Chapter 10: Retirement Options and the Self-Funded COLA](#)
- [Chapter 23: Hazardous Duty Services Plan \(HAZ PLAN\)](#)
- [Chapter 29: Wildlife Agents](#)
- [Chapter 31: Judges and Court Officers](#)
- [Chapter 32: Judges](#)

### APPLICABLE LASERS VIDEOS

- [Countdown to Retirement](#)
- [Judges Retirement Plan](#)

## Content

### [Overview](#)

### [The Application Process](#)

- [Members](#)
- [Employers](#)

### [Calculating a Benefit](#)

- [Regular Retirement](#)
- [Regular Retirement with an Actuarially Reduced Benefit](#)

## Quick Links

### [Employer Quick Check](#)

### [Reference Material](#)

- [Applicable Forms](#)
- [Applicable Agency Liaison Memoranda](#)
- [Applicable Laws](#)
- [Applicable Chapter in Member's Guide to Retirement](#)
- [Applicable LASERS Videos](#)

## 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

- ✓ Did the member complete [Form 06-01: Application for Retirement](#) in its entirety?
- ✓ Did the Personnel Officer certify the application with the correct termination date in Section 8?
- ✓ Did the member attach copies of applicable documents? See the listing found at the end of this chapter.
- ✓ Did the member complete the following forms in their entirety and attach them to the application?
  - ✓ [Form 04-05: Authorization for Direct Deposit](#)
  - ✓ [Form 06-02: Insurance Premium Deduction Authorization](#)
  - ✓ [Form W-4P: Withholding Certificate for Pension or Annuity Payments](#)
- ✓ Did the member complete any other applicable forms and attach them to the application?
- ✓ Did the member clearly write his or her name and last four digits of his or her Social Security number on all documentation?
- ✓ Did the member receive a copy of the forms?
- ✓ Were copies of the forms placed in the member's personnel file?
- ✓ 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.

## 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

## Content

### [Overview](#)

### [What is the Initial Benefit Option?](#)

### [The Application Process](#)

→ [Members](#)

→ [Employers](#)

### [Calculating a Benefit](#)

### [The Self-Directed Plan \(SDP\)](#)

### [IBO Accounts Held at LASERS](#)

### [Withdrawals from IBO Accounts](#)

→ [SDP Accounts](#)

→ [LASERS Accounts](#)

### [Taxes](#)

## Quick Links

### [Reference Material](#)

→ [Applicable Forms](#)

→ [Applicable Agency Liaison Memoranda](#)

→ [Applicable Laws](#)

→ [Applicable Chapter in Member's Guide to Retirement](#)

→ [Applicable LASERS Videos](#)

## Frequently Asked Questions

## IBO Application Checklist for Members

## Overview

This chapter outlines the steps to be taken when a member applies for retirement with an Initial Benefit Option (IBO). For information on other types of retirement (Regular, DROP and Disability), refer to Chapters 10, 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. They 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 of [Chapter 7: The Retirement Process](#)). Furthermore, a member cannot change his or her decision to select an IBO or change the amount of the IBO lump sum after the retirement date has passed.

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

## What is the Initial Benefit Option?

The Initial Benefit Option (IBO) is an optional retirement plan that allows the member to receive a lump sum equivalent of up to 36 months of his or her maximum monthly retirement benefit. Members that select an IBO may choose any retirement option other than Option 1.

At the time of the member's retirement, he or she will select the amount of the IBO. A member is able to designate:

❖ Any lump sum amount up to 36 months of the member's maximum retirement benefit

- OR -

❖ The MAXIMUM lump sum amount, which is 36 months of the member's maximum retirement benefit

The member's monthly retirement benefit will be actuarially reduced based on the member's age and the amount of the lump sum chosen. The actuarial factors change periodically.

## WHO IS ELIGIBLE?

Any member is able to choose an Initial Benefit Option (IBO) as long as he or she has met the **regular retirement** eligibilities of his or her plan. Members who participated in Deferred Retirement Option Plan (DROP) are not eligible to participate in IBO. Members who choose regular retirement with an actuarially reduced benefit are not eligible to participate in IBO or DROP. Unlike DROP, a member retiring with an IBO does not have a defined window in which he or she must make that selection. The member can select an IBO and retire at any point after he or she becomes eligible.

**NOTE:** *Members who select an actuarially reduced retirement, disability retirement, or who participate in DROP are not eligible to select the IBO.*

## THE IBO ACCOUNT

LASERS will transfer 80 percent of the designated lump sum amount to the member's IBO account once the preliminary benefit calculation has been performed. This calculation is normally performed within 30 to 45 days after the member's date of retirement. LASERS will transfer the remaining 20 percent of the designated lump sum amount to the member's IBO account once the final benefit calculation has been performed. This calculation is normally performed within 60 to 90 days after the preliminary calculation. For information on withdrawing from an IBO account, refer to the *Withdrawals* section of this chapter.

## The Application Process

Members applying for the Initial Benefit Option (IBO) will need to submit one of the following IBO applications:

- ❖ [Form 06-01A: Application for Retirement with Initial Benefit Option \(IBO\)](#) should be used for members who were first eligible to retire after January 1, 2004.

- ❖ [Form 06-01B: Application for Retirement with Initial Benefit Option \(IBO\)](#) should be used for members who were first eligible to retire on or before January 1, 2004.
- ❖ [Form 08-02A: Judicial Application for Retirement with Initial Benefit Option \(IBO\)](#) should be used for members of the Judicial Plan who were first eligible to retire after January 1, 2004, and who were members of one of the four state retirement systems prior to January 1, 2011. Judges in Judicial 2 or Judicial 3 plans should complete Form 06-01A.
- ❖ [Form 08-02B: Judicial Application for Retirement with Initial Benefit Option \(IBO\)](#) should be used for members of the Judicial Plan who were first eligible to retire prior to January 1, 2004.

## DESIGNATING IBO BENEFICIARIES

Members who select an IBO will need to designate a beneficiary independent of the retirement beneficiary on the application. They may name as many IBO beneficiaries as they choose; however, the member may be limited in the number of retirement beneficiaries based on the retirement option chosen. If a member has selected 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 IBO beneficiary may differ from the retirement beneficiary and can be changed at any time after retirement. Additionally, a Spousal Consent form may be required depending upon the IBO beneficiary and the retirement option chosen (for more information on Spousal Consent, please refer to [Chapter 16: Community Property & Divorce](#)).



**A member must designate an IBO beneficiary independent of the retirement beneficiary. The IBO beneficiary may differ from the retirement beneficiary.**

If a member decides to change an IBO beneficiary after retirement, [Form 01-06: Designation of Beneficiary](#) should be submitted to LASERS, even if the member's Self-Directed Plan (SDP) account has been transferred to the third-party administrator, EMPOWER Retirement™.

## 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 benefit. To ensure proper identification of documents, the member's full name and last four digits of the member's Social Security number should be clearly written on all documents submitted to LASERS. 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 -- *required if member selects Option 4A*
- ❖ Copy of death certificate -- *required if member's spouse is deceased*
- ❖ Certified copy of Divorce Decree - *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 the Personnel Officer supply the member with a "Retirement Packet". This packet should contain an IBO 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 06-01A](#), [Form 06-01B](#), [Form 08-02A](#) or [Form 08-02B](#) – *reference listings above for correct application*
- ❖ [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 is insured 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 \(for retirement benefit\)](#) – *only needed if the member has selected a beneficiary other than his or her spouse or if the option selected does not leave a monthly benefit to his or her spouse of at least 50 percent of the member's benefit*
- ❖ [Form 04-04\\*: Spousal Consent \(for IBO benefit\)](#) – *only needed if the member's spouse is receiving less than 50% of the IBO benefit*
- ❖ [Form 02-01A\\*: Authorization for 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 the member has chosen Option 2B*

### THE IBO BENEFIT CALCULATION

**Example:** Mark began employment in 1991, and is now retiring at age 55 with 25 years of service credit. His final average compensation is \$55,000. Mark has selected the Maximum Option and the maximum IBO amount. His benefit amount is calculated in the following manner:

|                         |  |
|-------------------------|--|
| Average compensation    | \$55,000   |
| x                       | x  |
| Accrual rate            | 2.5%   |
| x                       | x  |
| Years of service credit | 25.00  |
| =                       | =  |
| <b>Maximum Benefit</b>  | <b>\$34,375.00 per year (\$2,864.58 monthly)</b> |

Since Mark chose the maximum IBO amount, he will receive a lump-sum payment of 36 times \$2,864.58 or **\$103,124.88**.

To determine Mark's actuarially reduced monthly maximum benefit, two variables are factored into the calculation: his age and the approximate cost to receive the IBO lump sum.

Mark's age of 55 would yield an approximate monthly cost (reduction) of \$757.05. This reduction would be subtracted from his maximum benefit to determine the actuarially reduced monthly maximum benefit. Here is how the reduction is calculated:

|  |                   |
|--|-------------------|
| Monthly Maximum Benefit                            | \$2,864.58        |
| -  | -                 |
| Reduction  | \$757.05          |
| =  | =                 |
| <b>Actuarially Reduced Monthly Maximum Benefit</b> | <b>\$2,107.53</b> |

If Mark had selected Regular retirement with no IBO, his lifetime maximum monthly benefit would be \$2,864.58. By selecting the IBO, Mark will receive an initial lump-sum payment of \$103,124.88 and a lifetime reduced monthly maximum benefit of \$2,107.53. Depending upon the option Mark chooses, his benefit could be further reduced (refer to [Chapter 9: Retirement Options & Cost-Of-Living Adjustments](#)).

## Calculating A Benefit

The Initial Benefit Option will provide a member with an upfront lump sum payment along with an actuarially reduced monthly benefit for life. The member's lump sum selection will determine how the retirement benefit is calculated. For selection options, reference the section *What is the Initial Benefit Option?* in this chapter.

**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.*

## The Self-Directed Plan

Members eligible to retire **after January 1, 2004** will automatically have their IBO accounts transferred to the Self-Directed Plan once the IBO first deposit is made. EMPOWER Retirement™ will administer the IBO account.

LASERS will not pay any interest on these accounts; instead, the gains and losses experienced will be a result of the member's investment choices. All withdrawal and investment changes must be made through EMPOWER Retirement™, not LASERS.

Members who have an IBO account at LASERS can make the irrevocable decision to transfer the balance of their IBO account to EMPOWER Retirement™. For more information, reference the section *IBO Accounts Held at LASERS* in this chapter.

## IBO Accounts Held at LASERS

Members eligible to retire **on or before January 1, 2004** have the option to either leave their IBO account at LASERS or transfer it to the Self-Directed Plan (SDP), which is managed by the third-party administrator EMPOWER Retirement™.

If a member is eligible to have his or her IBO account held at LASERS and decides to transfer the funds to SDP, then [Form 09-04: Transfer to Self-Directed Plan](#) must be submitted to LASERS. The decision to transfer to SDP is irrevocable. For more information, refer to *The Self-Directed Plan* section in this chapter.

IBO accounts held at LASERS (non-SDP accounts) may accrue interest until the IBO balance is depleted. The interest rate is equal to the LASERS actuarial rate of return on investments for the prior fiscal year minus 0.5 percent. This interest rate is based on investment earnings and changes from year to year. Interest, if applicable, will be retroactively credited to the member's account based on the month-end account balance.

If interest is earned, then it will be reflected on the IBO annual statement, which is issued in the first quarter of each year. For example, an IBO annual statement that was issued in 2015 would show interest posted for July 2013 – June 2014.

## Withdrawals from the Self-Directed Plan (SDP)

Members participating in the Self-Directed Plan may make withdrawals from their IBO accounts after they have terminated state service and their first deposit has been transferred to EMPOWER Retirement™. Members should contact EMPOWER Retirement™ to learn about their options for withdrawal. Also, all withdrawal paperwork should be submitted directly to them.

To withdraw or roll over funds from an IBO account held by EMPOWER Retirement™, members may contact them in the following manner:

- Online at [www.louisianadcp.com](http://www.louisianadcp.com)
- Visiting their office at  
9100 Bluebonnet Centre Boulevard  
Suite 203  
Baton Rouge, LA 70809
- Telephone at 225.926.8086, 800.937.7604, or 800.701.8255.

## Withdrawals from IBO Accounts Held at LASERS

Members may make withdrawals from their IBO accounts after they have terminated state service and LASERS has finalized their retirement benefit. Members may choose from the following distribution methods:

1. Account rollover to a qualified tax annuity plan or Individual Retirement Account (IRA)
  - a. Members can elect to roll over the entire balance
  - b. Members can elect to roll over a partial amount
2. Lump sum payment of the entire balance
3. One-time withdrawal of a specified amount designated by the member
4. Monthly withdrawals of a specified amount designated by the member
5. Monthly withdrawals of an amount based on the expected lifetime of the member
6. Annual withdrawal of a specified amount designated by the member

### REQUIRED MINIMUM DISTRIBUTION

By federal law, withdrawals must begin no later than the year in which the member attains age 70 ½, if born before 7/1/1949, or in the year the member turns 72, if born on or after 7/1/1949, provided he or she has retired and is receiving monthly retirement benefits. At the beginning of each calendar year, LASERS will notify any member of the amount that is required to be withdrawn to meet the required minimum distribution (RMD). Rollovers do not count towards meeting the RMD. If the member has not met the RMD by December 1st of that year, then LASERS will automatically issue a payment to the member, via check or direct deposit, so that he or she will not incur penalties.

**NOTE:** *Monthly IBO withdrawals are paid on the first day of each month. Annual and monthly withdrawals may be changed or stopped at any time.*

## Taxes

Amounts withdrawn from an IBO account held at LASERS are subject to ordinary federal income tax in the year in which they are received. Lump sum payments, one-time payments and monthly payments where the distribution will be paid out in less than 10 years, will be subject to a mandatory 20 percent federal income tax withholding. If the member is under age 59 ½, then payments are subject to a mandatory 10 percent federal early withdrawal penalty, unless an exception applies.

**LASERS recommends that members consult a qualified tax advisor before making any decision about the withdrawal of funds from an IBO account.**

All IBO distributions from LASERS and the SDP are exempt from Louisiana state income tax. Ordinary federal income tax will apply to any benefit received during the calendar year, and some penalties may apply for early withdrawal. Form 1099-R (federal tax) will be issued to the member annually and will include any IBO withdrawals.



**To withdraw or roll over funds from an IBO account held at LASERS, the member should submit the following forms:**

- ❖ [Form 09-03: Request for Withdrawal from DROP/IBO Accounts](#)
- ❖ [Form 04-05: Authorization for Direct Deposit \(if applicable\)](#)
- ❖ [Form 02-01A: Authorization for Direct Rollover \(if applicable\)](#)

## Employer Quick Check

- ✓ Did the member complete Form [06-01A](#), [06-01B](#), [08-02A](#), or [08-02B](#)? For the correct application, reference the section *The Application Process* in this chapter.
- ✓ Did the Personnel Officer certify the application with the correct termination date in Section 11?
- ✓ Did the member attach copies of applicable documents? See the listing found at the end of this chapter.
- ✓ Did the member complete the following forms in their entirety and attach them to the application?
  - ✓ [Form 04-05: Authorization for Direct Deposit](#)
  - ✓ [Form 06-02: Insurance Premium Deduction Authorization \(if applicable\)](#)
  - ✓ [Form W-4P: Withholding Certificate for Pension or Annuity Payments](#)
- ✓ Did the member complete any other applicable forms and attach them to the application?
- ✓ Did the member clearly write his or her name and last four digits of his or her Social Security number on all documentation?
- ✓ Did the member receive a copy of the forms?
- ✓ Were copies of the forms placed in the member's personnel file?
- ✓ 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.

## Frequently Asked Questions

### 1. 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.

### 2. 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.

### 3. 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.

### 4. Can a member make changes to the IBO amount after the retirement date?

No. Once the retirement date passes, no changes can be made to the retirement application. If a revised application is submitted prior to the retirement date, then a change can be made to the IBO amount.

### 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. Does a member have to designate a retirement beneficiary and an IBO beneficiary?

Yes. A member must designate an IBO beneficiary independent of the retirement beneficiary. The designated IBO beneficiary may differ from the member's retirement beneficiary. In the event of a member's death, the named IBO beneficiary would receive the remaining balance of the member's IBO account.

### 7. Can a member change his or her IBO beneficiary?

A member may submit [Form 01-06: Designation of Beneficiary](#) to change an IBO account beneficiary at any time after retirement. This form needs to be submitted directly to LASERS.

### 8. When can a member withdraw money from the IBO account?

IBO withdrawals can be made at any time after the member has terminated service and the first deposit has been made into the account.

### 9. Are state income taxes deducted from IBO withdrawals?

No. Withdrawals from IBO accounts are exempt from Louisiana state income tax.

### 10. Does a rollover count toward meeting the Required Minimum Distribution (RMD) requirement?

No. Rollovers do not count toward meeting the RMD requirement.

### 11. Can 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.

### 12. 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 1, 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 for Direct Rollover](#)
- [04-04: Spousal Consent](#)
- [04-05: Authorization for Direct Deposit](#)
- [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 \(IBO\) \*\(form to be used if the member was eligible to retire on or before 01/01/2004\)\*](#)
- [06-02: Insurance Premium Deduction Authorization](#)
- [06-03: Option 2B Mentally Handicapped Designee](#)
- [07-01: Certification of Unused Annual and Sick Leave](#)
- [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 \(IBO\) \*\(complete if eligible to retire on or before 01/01/2004\)\*](#)
- [09-03: Request for Withdrawal from DROP/IBO Accounts](#)
- [09-04: Transfer to Self-Directed Plan](#)
- [W-4P: Withholding Certificate for Pension or Annuity Payments](#)

### APPLICABLE AGENCY LIAISON MEMORANDA

- [10-06: LASERS Required Documents](#)
- [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 AND RULES

**(Note: this list is not exhaustive)**

- [La. R.S. 11:441](#) Eligibility for Retirement
- [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; Guaranteed Return of Accumulated Contributions
- [La. R.S. 11:446](#) Mode of Payment Where Option Elected
- [LAC 58.1.2723](#) Initial Benefit Option
- [LAC 58.1.2901-2103](#) Spousal Consent
- [LAC 58.1.3705](#) Tax Liability
- [LAC 58.1.4101-4135](#) Self-Directed Plan
- [Act 818 of 2003](#) Self-Directed Plan

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

- [Chapter 13: Initial Benefit Option \(IBO\)](#)
- [Chapter 15: DROP/IBO Account Withdrawals & Self-Directed Plan](#)

### APPLICABLE LASERS VIDEOS

- [Initial Benefit Option Plan \(IBO\) \(2013\)](#)
- [Annual and Sick Leave: How it Affects You](#)
- [Countdown to Retirement](#)
- [Judges Retirement Plan](#)



## Initial Benefit Option (IBO) 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:**

- Section 1 through Section 10 of the appropriate IBO application
- 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



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# Chapter 12: Deferred Retirement Option Plan

## Content

### [Overview](#)

#### [What is the Deferred Retirement Option Plan?](#)

#### [Types of DROP Accounts](#)

#### [Entering DROP](#)

#### [The Application Process](#)

→ [Members](#)

→ [Employers](#)

#### [Calculating a DROP Benefit](#)

#### [Ending DROP and Retiring](#)

#### [The Retirement Process](#)

→ [Members](#)

→ [Employers](#)

#### [Calculating a Supplemental Benefit](#)

#### [The Self-Directed Plan \(SDP\)](#)

#### [DROP Accounts Held at LASERS](#)

#### [Withdrawals from DROP](#)

#### [Accounts](#)

→ [SDP Accounts](#)

→ [LASERS Accounts](#)

#### [Taxes](#)

## Quick Links

→ [DROP Application Checklist for Members](#)

→ [Retiring After DROP Checklist for Members](#)

## Frequently Asked Questions

## Flowchart: End-of-DROP Process

## Overview

This chapter outlines the steps to be taken when a member applies for retirement with the Deferred Retirement Option Plan (DROP). A member must be eligible for retirement to enter DROP. For information on other types of retirement (Regular, IBO and Disability), refer to Chapters 10, 11, and 13, respectively. LASERS encourages the employer, as well as the member, to make sure eligibility has been met prior to submitting an application for DROP.

If a member decides not to enter DROP after submitting the application, then the application may be rescinded *prior to the DROP start date*. A member cannot rescind his or her application after the DROP start date has passed (for more information, refer to the *Rescinding an Application* section of [Chapter 7: The Retirement Process](#)).

**NOTE:** *The DROP start date should be the day after the member's last working day prior to entering DROP.*

## What is the Deferred Retirement Option Plan?

The Deferred Retirement Option Plan (DROP) is an optional retirement method that allows the member to defer his or her retirement benefit for a maximum period of 36 months while he or she continues to work. While participating in DROP, the member continues state employment and has all the rights and responsibilities of other employees except for those relating to retirement. The member will continue to earn a regular salary and accrue annual and sick leave. Any deductions for taxes, insurance, deferred compensation, etc. continue during DROP participation. The member is eligible to be considered for raises, promotions, demotions, termination, etc. while participating in DROP and while working after DROP. The member can also change agencies while participating in DROP or while working after DROP, as long as there is no break in service.

Neither the agency nor the member pay contributions to LASERS while the member is in DROP; therefore, the member does not earn service credit during the participation period. The DROP benefit is the same amount that the member would have received as a monthly benefit had he or she retired.



**Members who participate in DROP cannot choose a Regular Retirement with an Actuarially Reduced Benefit, Initial Benefit Option or Disability Retirement.**

The monthly DROP benefit will be deposited into the member's DROP account on the last day of each month.

Once a member completes the DROP participation period, he or she must choose to either terminate employment and retire, or continue employment and begin contributing to LASERS again. The member will not be able to access the funds in the DROP account until he or she has terminated state service and LASERS has finalized the member's retirement benefit. *DROP accounts are unassignable and are exempt from levies, garnishments, or attachments under state law.*

## Types of DROP Accounts

### SELF-DIRECTED PLAN (SDP)

Members who were first eligible to retire on or after January 1, 2004 are required to participate in the **Self-Directed Plan (SDP)**. All DROP accounts in the SDP are transferred to a third party administrator, EMPOWER Retirement™, as soon as the DROP participation period ends.

### OLD DROP

Members who were eligible to retire on or before December 31, 1995 are eligible to participate in "**Old DROP**". There is no defined window of participation and members may enter DROP at any time prior to retirement. The member's DROP account will remain at LASERS unless he or she irrevocably chooses to transfer the DROP account to the Self-Directed Plan (SDP), which is administered by EMPOWER Retirement™.

### NEW DROP

Members who were eligible to retire between December 31, 1995 and December 31, 2003 were eligible to participate in "**New DROP**". There are no remaining members who are eligible for New DROP. The member's DROP account will remain at LASERS unless he or she irrevocably chooses to transfer the DROP account to the Self-Directed Plan (SDP), which is administered by EMPOWER Retirement™.

## Entering DROP

Members may participate in DROP only once and for no more than 36 months. Each member must specify the length of participation on the DROP application. A member must designate:

- To participate for the MAXIMUM months allowed (36 months)

- OR -

- To participate for less than the maximum (36 months) allowed. If this option is chosen, the member is required to designate the number of months he or she chooses to participate.

Once a member has selected a DROP end date and the DROP participation period has started, the end date cannot be changed. Members cannot exit DROP prior to their chosen ending date unless employment is terminated and they retire immediately.

### THE DROP WINDOW

Members can participate in DROP for up to 36 months and have a 60-day grace period to begin participating. In order to participate for the full 36-month period, members must begin DROP participation within 60 days of their **first eligible date for retirement** (excluding members of the Wildlife Agents 2 Plan who must enter DROP within 60 days of their **first eligible date for DROP**. Refer to the section "Who is Eligible for DROP?" within this chapter).

- Members who apply to enter DROP *before or during* the 60-day grace period can participate in DROP for the full 36 months.
- Members who apply to enter DROP *after* the 60-day grace period has expired **will not** have the full 36-month period to participate in DROP. In other words, if the member enters DROP later than 60 days after he or she was first eligible, then the 36-month participation period is reduced. The member's participation period cannot be extended beyond 36 months and 60 days.

**Example:** Grant will be first eligible for regular retirement with an unreduced benefit on June 1, 2016. His 60-day grace period will end on July 30, 2016.

If he wants to participate in DROP for the entire 36-month period, then he must enter DROP **on or before** July 30, 2016.

If he enters DROP on June 15, 2016, then he can participate in DROP until June 14, 2019 (36 months).

However, if he does not enter DROP until September 1, 2016, then he can only participate in DROP until July 29, 2019 (35 months).

Once the 60-day grace period expires, regardless of the date that he enters DROP, he cannot participate in DROP after July 29, 2019.

**The following chart illustrates several DROP windows for a member whose first eligible date was June 1, 2016:**

| DROP Start Date  | DROP End Date  |
|--|--|
| 06/01/2016<br><i>(first eligible date)</i>             | 05/30/2019<br><i>(36 months of participation)</i>            |
| 07/01/2016<br><i>(within 60-day grace period)</i>      | 06/30/2019<br><i>(36 months of participation)</i>            |
| 07/30/2016<br><i>(last day of 60-day grace period)</i> | 07/29/2019<br><i>(36 months of participation)</i>            |
| 09/01/2016<br><i>(beyond 60-day grace period)</i>      | 07/29/2019<br><i>(member lost 2 months of participation)</i> |
| 12/01/2016<br><i>(beyond 60-day grace period)</i>      | 07/29/2019<br><i>(member lost 6 months of participation)</i> |

*Based on this example, regardless of when the member enters DROP, the member cannot participate after July 29, 2019 because that date is 36 months and 60 days after the member’s first eligible date for a regular retirement.*

**WHO IS ELIGIBLE FOR DROP?**

Members must be eligible for regular retirement without an actuarial reduction according to the eligibility requirements for their particular retirement plan before participating in DROP. For more information on eligibility requirements for retirement plans, refer to Chapter 8: Retirement Benefit Calculation & Eligibility.

**NOTE:** *To be eligible to participate in DROP, members of Wildlife Agents 2 plan (WLO2) must have at least 10 years of service credit at age 60 with the last 10 years earned as a Wildlife Agent or 25 years of service credit at any age with the last 10 years earned as a Wildlife Agent.*

Members with reciprocal agreements may participate in DROP; however, the combined service credit must meet the minimum eligibility requirements of each retirement system. A DROP application must be submitted to each system.

Members of the Harbor Police Employees Plan have different eligibilities for DROP Participation. For more information, contact LASERS at 800.256.3000 or 225.922.0600.

**SUBMITTING FINAL PRE-DROP EARNINGS**

Final Pre-DROP earnings are submitted via the agency’s monthly contribution report, typically during the month following the member’s DROP start date. The earnings reported should **only** include the remaining days worked up until, but not including, the member’s DROP start date.

## The Application Process

Members applying for the Deferred Retirement Option Plan (DROP) will need to submit one of the following DROP applications:

- ❖ [Form 09-01: Application for Deferred Retirement Option Plan \(DROP\)](#) should be used for members who were first eligible to retire after December 31, 1995
- ❖ [Form 09-01A: Application for Deferred Retirement Option Plan \(DROP\)](#) should be used for members who were first eligible to retire on or before December 31, 1995
- ❖ [Form 08-03: Judicial Application for Deferred Retirement Option Plan \(DROP\)](#) should be used for members of the Judicial Plan who were enrolled in one of the four state retirement systems prior to January 1, 2011

### 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

benefit. To ensure proper identification of documents, the member's full name and last four digits of the member's Social Security number should be clearly written on all documents submitted to LASERS. Deposits will not be made into the DROP account until all required documents are received. 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 - *required if member selects Option 4A*
- ❖ Copy of death certificate - *required if member's spouse is deceased*
- ❖ Certified copy of Divorce Decree - *required if member is divorced*
- ❖ Certified copy of Community Property documents (if applicable)
- ❖ Certified copy of Matrimonial Contract, Pre-nuptial Agreement, Separate Property Agreements (if applicable)

### Employer Quick Check: Entering DROP

- ✓ Is the member eligible for regular retirement without an actuarial reduction?
- ✓ Did the member complete [Form 09-01](#), [09-01A](#), or [08-03](#)? For the correct application, reference the section *The Application Process* in this chapter.
- ✓ Did the Personnel Officer certify sections 1 and 9 of the application with the correct DROP start date?
- ✓ Did the member attach copies of applicable documents? See the listing found at the end of this chapter.
- ✓ Did the member complete any other applicable forms and attach them to the application?
- ✓ Did the member clearly write his or her name and last four digits of his or her Social Security number on all documentation?
- ✓ Did the member receive a copy of the forms?
- ✓ Were copies of the forms placed in the member's personnel file?
- ✓ Were all documents submitted to LASERS prior to the member's DROP start 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.

**EMPLOYERS**

When a member contacts the agency’s Human Resources Office regarding entering DROP, LASERS suggests that the Personnel Officer supply the member with a “DROP Retirement Packet”. This packet should contain a DROP 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 09-01](#), [Form 09-01A](#), or [Form 08-03](#) – refer to the section titled *Reference Material* in this chapter for correct application
- ❖ [Form 01-06\\*](#): [Designation of Beneficiary](#) – only needed if the member has chosen a retirement option that allows for more than one beneficiary or wants to list multiple DROP beneficiaries
- ❖ [Form 04-04\\*](#): [Spousal Consent \(for retirement benefit\)](#) - only needed if the member has selected a beneficiary other than his or her spouse or if the option selected does not leave a monthly benefit to his or her spouse of at least 50 percent of the member’s benefit
- ❖ [Form 04-04\\*](#): [Spousal Consent \(for DROP benefit\)](#) - only needed if the member’s spouse is receiving less than 50% of the DROP benefit
- ❖ [Form 06-03\\*](#): [Option 2B Mentally Handicapped Designee](#) – only needed if the member has chosen Option 2B

**NOTE:** *The member’s unused annual and sick leave is not calculated when the member enters DROP. It is calculated when the member terminates state service and LASERS finalizes his or her retirement benefit.*

## Calculating A DROP Benefit

The DROP benefit is based on the amount that the member would have received as a monthly benefit had he or she selected a regular retirement without an actuarial reduction (see the example in the next

column). This monthly benefit amount will be deposited into an individual DROP account while the member participates in DROP.

The DROP benefit is determined when the member enters DROP; any changes in salary while the member is participating in DROP will not affect the amount of the DROP benefit. However, if the member works after DROP and earns a new FAC, then any salary changes during DROP will be reflected in the post-DROP FAC. The supplemental benefit earned by working after DROP and any unused leave will be based on the post-DROP FAC. For more information, refer to the section *Calculating a Supplemental Benefit* in this chapter.

**Example:** Ethan is first eligible for regular retirement with 19.20 years of service credit at age 60. His first eligible date for regular retirement with an unreduced benefit was January 2, 2016, so he must enter DROP within 60 days of this date in order to participate for the entire 36 month period.

He chose to enter DROP on January 2, 2016 and elected to participate for 36 months; therefore, he is eligible to participate until January 1, 2019. Ethan chose the Maximum Option, so his monthly DROP benefit amount is calculated as follows:

|                          |  |
|--------------------------|--|
| Final Average Comp (FAC) | \$50,000                                       |
| x                        | x  |
| Accrual Rate             | 2.5%   |
| x                        | x  |
| Years of Service         | 19.20  |
| =                        | =  |
| <b>Maximum Benefit</b>   | <b>\$24,000 per year<br/>(\$2,000 monthly)</b> |

While Ethan continues working during DROP participation, a monthly amount of \$2,000 will be deposited into his DROP account. The monthly deposits will continue until Ethan either ends DROP participation on January 1, 2019, or terminates employment, whichever occurs first.

If Ethan participates in DROP for the full 36 months, he will have \$72,000 in his DROP account at the end of his participation period.

## Ending DROP and Retiring

Approximately two months prior to a member's DROP end date, an End of DROP notification letter is mailed to the member and agency. This letter directs the member to contact the agency's Human Resources Personnel Officer to make one of the following choices:

- ① **Terminate employment on his or her DROP end date.** The member will begin receiving monthly retirement benefits from LASERS.

*If a member terminates employment prior to his or her DROP end date, the member would be required to retire immediately following the termination date. The member will forfeit any remaining DROP participation time and subsequent DROP deposits.*

- ② **Continue to work after DROP.** In this case, the member will begin paying employee contributions to LASERS and will begin accruing service credit. Upon retirement, the member *may* receive a supplemental benefit for the time worked after DROP.

### END-OF-DROP PARTICIPATION AND RETIREMENT

If the member terminates employment while in DROP or on the DROP end date, then he or she will begin receiving a monthly retirement benefit from LASERS. This monthly retirement benefit will be the same amount as the member's monthly DROP account deposit unless the member converts his or her unused annual and sick leave to service credit and/or makes any service credit purchases during DROP or while working after DROP (refer to [Chapter 5: Purchases, Transfers & Reciprocity](#) of this handbook). [Form 09-02: Certification at End of Employment after DROP](#) should be submitted to LASERS if the member is terminating employment and retiring.

**NOTE:** *If a member dies during the DROP participation period or while working after DROP, then the agency is still required to submit [Form 09-02: Certification at End of Employment after DROP](#) and [Form 07-01: Certification of Unused Annual and Sick Leave to LASERS](#). The termination date will be the member's date of death.*

### WORKING AFTER DROP

A member may choose to continue working after his or her DROP participation ends. Monthly deposits to the DROP account will cease, the employee contributions (EEs) and employer contributions (ERs) will resume, and the member will begin accruing service credit for time worked after DROP. [Form 09-02A: Certification of Continued Employment After DROP Participation](#) should be submitted to LASERS if the member is continuing employment after DROP.

Similar to a member retiring at the end of DROP, a member who terminates at the end of working after DROP will receive monthly retirement benefits. [Form 09-02: Certification at End of Employment after DROP](#) should be submitted to LASERS. If the member works less than three months after DROP, his or her service credit will not be rounded up, but will be rounded to the **nearest tenth**. Typically, a member has to work at least 13 **eight-hour** days after DROP to receive service credit and a supplemental benefit.

### SUBMITTING POST-DROP EARNINGS

When a member continues to work after DROP, employee contributions (EEs) and employer contributions (ERs) will resume. Like final earnings, Post-DROP earnings are submitted via the agency's monthly contribution report. The earnings reported should only include the days worked after the member's DROP end date.

## The Retirement Process

### MEMBERS

It is not necessary for a member to submit vital documents since these documents were submitted when the member entered DROP. A member should only submit updated information if there were any changes in beneficiaries, marital status, or the death of a beneficiary occurred since the member entered DROP. To ensure proper identification of documents, the member's full name and last four digits of the member's Social Security number should be clearly written on all documents submitted to LASERS. Below is a list of applicable documents:

- ❖ Copies of birth certificate for beneficiary(ies)
- ❖ Copies of Social Security card for beneficiary(ies)
- ❖ Copy of marriage license – *required if member has divorced and re-married since entering DROP*
- ❖ Copy of death certificate - *required if member's beneficiary has passed away while participating or working after DROP*

- ❖ Certified copy of Divorce Decree - *required if member divorced while participating or working after DROP*
- ❖ Certified copy of Community Property documents (if applicable)
- ❖ Certified copy of Matrimonial Contract, Pre-nuptial Agreement, Separate Property Agreements (if applicable)

### EMPLOYERS

When a member decides to retire after DROP, the agency's Human Resources Office should supply the member with an "End of Employment after DROP Retirement Packet". This packet should contain a 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 asterisks(\*) do not apply to all applicants:

- ❖ [Form 09-02: Certification at End of Employment after DROP](#)

## Employer Quick Check: Retiring After DROP

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>✓ Did the member complete Form <a href="#">09-02</a> or <a href="#">08-06</a>? For the correct application, reference the section <i>Ending DROP and Retiring</i> in this chapter.</li> <li>✓ Did the Personnel Officer certify the application with the correct termination date in Section 5?</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> <li>✓ Did the member complete any other applicable forms and attach them to the application?</li> </ul> | <ul style="list-style-type: none"> <li>✓ Did the member complete any DROP withdrawal forms?</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> |
|---|--|

- ❖ [Form 08-06\\*](#): [Judicial Certification at End of Employment After DROP](#)
- ❖ [Form 04-05](#): [Authorization for Direct Deposit](#)
- ❖ [Form W-4P](#): [Withholding Certificate for Pension](#)
- ❖ [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 change retirement beneficiaries or DROP beneficiaries
- ❖ [Form 02-01A\\*](#): [Authorization for Direct Rollover](#) – only needed if the member has chosen to roll over his or her lump sum leave payment

## Calculating a Supplemental Benefit

The calculation of the member's supplemental benefit for working after DROP depends on the member's final average compensation (FAC) period when entering DROP.

If a member had a **36-month final average compensation** when entering DROP and:

- worked less than 36 months after the DROP participation ended, the supplemental benefit will be based on his or her pre-DROP final average compensation.
- worked 36 months or more after DROP participation ends, the supplemental benefit will be based on a **new** 36-month after-DROP final average compensation.

If a member had a **60-month final average compensation** when entering DROP and:

- worked less than 60 months after the DROP participation ended, the supplemental benefit will be based on his or her pre-DROP final average compensation.
- worked 60 months or more after DROP participation ends, the supplemental benefit will be based on a **new** 60-month after-DROP final average compensation.

### 36-month FAC Working Less Than 3 Years After DROP

**Example:** When Carol entered DROP, she had a 36-month FAC of \$50,000 and chose the Maximum Option. She participated in DROP for 36 months and worked two years and six months after DROP. Because she worked fewer than 36 months after DROP, she did not earn a new FAC. She had 1.80 years of unused leave. Her retirement benefit was calculated as follows:

| <b>DROP Benefit (Base Benefit)</b> |   |
|------------------------------------|---|
| Final Average Comp (FAC)           | \$50,000                                      |
| x                                  | x   |
| Accrual Rate                       | 2.5%  |
| x                                  | x   |
| Years of Service                   | 25.00   |
| =                                  | =   |
| <b>Maximum DROP Benefit</b>        | <b>\$31,250 per year (\$2,604.17 monthly)</b> |

| <b>After - DROP Supplemental Benefit</b> |  |
|--|--|
| Pre-DROP FAC                             | \$50,000                                   |
| x  | x  |
| Accrual Rate                             | 2.5%                                       |
| x  | x  |
| Years of Service                         | 2.50                                       |
| =  | =  |
| <b>Supplemental Benefit</b>              | <b>\$3,125 per year (\$260.42 monthly)</b> |

| <b>Unused Leave Converted to Service Credit</b> |  |
|---|--|
| Pre-DROP FAC                                    | \$50,000                                   |
| x   | x  |
| Accrual Rate                                    | 2.5%                                       |
| x   | x  |
| Years of Service                                | 1.80                                       |
| =   | =  |
| <b>After-DROP Leave Conversion</b>              | <b>\$2,250 per year (\$187.50 monthly)</b> |

Because Carol worked fewer than 36 months after DROP, her pre-DROP FAC was used in the calculation of her unused leave. Her monthly retirement benefit is calculated by adding her DROP benefit, her supplemental benefit, and her unused leave benefit: \$2,604.17 + \$260.42 + \$187.50 = \$3,052.09. Therefore, she will receive \$3,052.09 per month until her death.

**60-month FAC Working 5 Years or More After DROP**

**Example:** When Sophia entered DROP, she had a 60-month FAC of \$40,000 and chose the Maximum Option. She participated in DROP for 36 months and worked six years and six months after DROP. Because she worked 60 months or more after DROP; she earned a new FAC. Her post-DROP FAC was \$52,000 and she had 1.50 years of unused leave. Her retirement benefit was calculated as follows:

| <b>DROP Benefit (Base Benefit)</b>              |   |
|---|---|
| Final Average Comp (FAC)                        | \$40,000  |
| x   | x   |
| Accrual Rate                                    | 2.5%  |
| x   | x   |
| Years of Service                                | 11.80   |
| =   | =   |
| <b>Maximum DROP Benefit</b>                     | <b>\$11,800 per year<br/>(\$983.33 monthly)</b> |
| <b>After - DROP Supplemental Benefit</b>        |   |
| Post-DROP FAC                                   | \$52,000  |
| x   | x   |
| Accrual Rate                                    | 2.5%  |
| x   | x   |
| Years of Service                                | 6.50  |
| =   | =   |
| <b>Supplemental Benefit</b>                     | <b>\$8,450 per year<br/>(\$704.17 monthly)</b>  |
| <b>Unused Leave Converted to Service Credit</b> |   |
| Post-DROP FAC                                   | \$52,000  |
| x   | x   |
| Accrual Rate                                    | 2.5%  |
| x   | x   |
| Years of Service                                | 1.50  |
| =   | =   |
| <b>After-DROP Leave Conversion</b>              | <b>\$1,950 per year<br/>(\$162.50 monthly)</b>  |

Because Sophia worked 60 months or more after DROP, her post-DROP FAC was used in the calculation of her unused leave. Her monthly retirement benefit is calculated by adding her DROP benefit, her supplemental benefit, and her unused leave benefit: \$983.33 + \$704.17 + \$162.50 = \$1,850. Therefore, she will receive \$1,850 per month until her death.

## The Self-Directed Plan

Members eligible to retire **after January 1, 2004** will automatically have their DROP accounts transferred to the Self-Directed Plan once the DROP participation period has ended. EMPOWER Retirement™ will administer the DROP account. LASERS will not pay any interest on these accounts. Instead, the gains and losses experienced will be a result of the member's investment choices. All withdrawal and investment changes must be made through EMPOWER Retirement™, not LASERS.

Members who have a DROP account at LASERS can make the irrevocable decision to transfer the balance of their DROP account to EMPOWER Retirement™. For more information, reference the *DROP Accounts Held at LASERS* section in this chapter.

## DROP Accounts Held at LASERS

Members eligible to retire **on or before January 1, 2004** have the option to either leave their DROP account at LASERS or transfer it to the Self-Directed Plan (SDP), which is managed by the third-party administrator EMPOWER Retirement™.

If a member is eligible to have his or her DROP account held at LASERS and decides to transfer the funds to SDP, then [Form 09-04: Transfer to Self-Directed Plan](#) needs to be submitted to LASERS. The decision to transfer to SDP is irrevocable. For more information, reference the *Self-Directed Plan* section in this chapter.

DROP accounts held at LASERS (non-SDP accounts) may accrue interest once the DROP participation period has ended. Interest can be accrued until the member's DROP account is depleted. The interest rate is equal to the LASERS actuarial rate of return on investments for the prior fiscal year minus 0.5 percent. This interest rate is based on a five-year actuarially smoothed return. Interest, if applicable, will be retroactively credited to the member's account based on the month-end account balance.

If interest is earned, then it will be reflected on the DROP annual statement, which is issued in the first quarter of each year. For example, a DROP annual statement that was issued in 2015 would show interest posted for July 2013 – June 2014.

## Withdrawals from the Self-Directed Plan (SDP)

Members participating in the Self-Directed Plan may make withdrawals from their DROP accounts after they have terminated state service and their balance has been transferred to EMPOWER Retirement™. Members should contact EMPOWER Retirement™ to learn about their options for withdrawal. Also, all withdrawal paperwork should be submitted directly to EMPOWER Retirement™.

To withdraw or roll over funds from a DROP account held by EMPOWER Retirement™, members may contact them in the following manner:

- Online at [www.louisianadcp.com](http://www.louisianadcp.com)
- Visiting their office at  
9100 Bluebonnet Centre Boulevard  
Suite 203  
Baton Rouge, LA 70809
- Telephone at 225.926.8086, 800.937.7604, or 800.701.8255.

## Withdrawals from DROP Accounts Held at LASERS

Members may make withdrawals from their DROP accounts after they have terminated state service and LASERS has finalized their retirement benefit. Members may choose from the following distribution methods:

1. Account rollover to a qualified tax annuity plan or Individual Retirement Account (IRA)
  - a. Members can elect to roll over the entire balance
  - b. Members can elect to roll over a partial amount
2. Lump sum payment of the entire balance
3. One-time withdrawal of a specified amount designated by the member
4. Monthly withdrawals of a specified amount designated by the member

5. Monthly withdrawals of an amount based on the expected lifetime of the member
6. Annual withdrawal of a specified amount designated by the member terminating employment and retiring.

**NOTE:** *Monthly DROP withdrawals are paid on the first day of each month. Annual and monthly withdrawals may be changed or stopped at any time.*

### REQUIRED MINIMUM DISTRIBUTIONS

By federal law, withdrawals must begin no later than the year in which the member attains age 70 ½, if born before 7/1/1949, or in the year the member turns 72, if born on or after 7/1/1949, provided he or she has retired and is receiving monthly retirement benefits. At the beginning of each calendar year, LASERS will notify any member of the amount that is required to be withdrawn to meet the required minimum distribution (RMD). Rollovers do not count towards meeting the RMD.

If the member has not met the RMD by December 1 of that year, then LASERS will automatically issue a payment to the member, via check or direct deposit, so that he or she will not incur any penalties.



**To withdraw or roll over funds from a DROP account held at LASERS, the member should submit the following forms:**

- ❖ [Form 09-03: Request for Withdrawal from DROP/IBO Accounts](#)
- ❖ [Form 04-05: Authorization for Direct Deposit \(if applicable\)](#)
- ❖ [Form 02-01A: Authorization for Direct Rollover \(if applicable\)](#)

## Taxes

Amounts withdrawn from a DROP account held at LASERS are subject to ordinary federal income tax in the year in which they are received. Lump sum payments, one-time payments and monthly payments where the distribution will be paid out in less than 10 years will be subject to a mandatory 20 percent federal income tax withholding. If the member is under age 59½, then payments are subject to a mandatory 10 percent federal early withdrawal penalty, unless an exception applies. **LASERS recommends that members consult a qualified tax advisor before making any decision about the withdrawal of funds from a DROP account.**

All DROP distributions from LASERS and the SDP are exempt from Louisiana state income tax. Ordinary federal income tax will apply to any benefit received during the calendar year, and some penalties may apply for early withdrawal. Form 1099-R (federal tax) will be issued to the member annually and will include any DROP withdrawals.

## Frequently Asked Questions

1. **Can a member make changes to the DROP application on or after the DROP start date?**  
*No. Changes cannot be made to the DROP application on or after the DROP start date. A member can neither rescind nor change the DROP application after the DROP start date.*
2. **Can a member rescind his or her application of Certification at End of Employment after DROP?**  
*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.***
3. **When and how can a member change the DROP start date or termination/retirement date listed on a submitted application?**  
*The member must submit a revised application prior to the DROP start date if entering DROP or retirement date if retiring after DROP.*
4. **For members retiring after DROP, can they change their retirement option after the application has been submitted?**  
*No. The retirement option was selected when the member entered DROP and can not be changed at the time of retirement unless the member is able to revert to maximum due to death of their beneficiary or divorce.*
5. **For members retiring after DROP, can they change their leave selection after the application has been submitted?**  
*Yes. A revised application may be submitted prior to the retirement date listed on the application.*
6. **Can a member change his or her DROP beneficiary?**  
*Yes. A member may submit [Form 01-06: Designation of Beneficiary](#) to change a DROP account beneficiary at any time after entering DROP. This form must be submitted directly to LASERS. In the event a member's spouse is receiving less than 50% of the DROP benefit, [Form 04-04: Spousal Consent](#) will be required.*
7. **Does a member have to designate both a retirement beneficiary and a DROP beneficiary?**  
*Yes. A member must designate a DROP beneficiary independent of the retirement beneficiary. The designated DROP beneficiary may differ from the member's retirement beneficiary. In the event of a member's death, the named DROP beneficiary would receive the remaining balance of the member's DROP account.*
8. **When should a member expect his or her first DROP deposit?**  
*The first payment is made 30 to 45 days after the DROP start date as long as LASERS has received all required documents. DROP deposits are typically made on the last day of the month for the month prior.*
9. **When does a member's DROP account begin earning interest?**  
*DROP interest begins accruing after the completion of the DROP participation period.*

**10. 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.*

**11. Can a member choose to participate in DROP for less than 3 years?**

*Yes. A member can designate the number of months that he would like to participate in DROP on the DROP application.*

**12. Can a member end DROP participation prior to the designated end date of the DROP participation period?**

*Yes, but the member must retire immediately.*

**13. When does DROP participation end for a member who enters DROP after the 60-day grace period?**

*DROP participation will end no more than three years and 60 calendar days from the date that the member **first became eligible** for regular retirement.*

**14. Can a member change agencies while participating in DROP or working after DROP?**

*Yes. As long as there is no break in service, a member can change agencies during DROP and/or after DROP.*

**15. Is a member eligible for raises, promotions, and/or demotions while in DROP?**

*Yes.*

**16. Is it mandatory for a member to end employment when DROP ends?**

*No. Once DROP participation has ended, the member must choose to retire or to continue employment.*

**17. If a member dies while working after DROP, then what happens to the unused leave?**

*If the member died while participating in DROP or while working after DROP, then the unused leave will be automatically converted to service credit unless the member left specific written instructions before dying to select a lump sum payment of leave.*

**18. Can a member convert leave to service credit in order to reach DROP eligibility?**

*No. Unused leave cannot be used to reach eligibility for retirement/DROP. In addition, unused leave is not calculated at the time of DROP entry. Members continue to use and accrue leave during DROP participation. Unused leave is only calculated once a member retires.*

**19. When can a member withdraw money from the DROP account?**

*DROP withdrawals can be made at any time after the member terminates state employment and LASERS has finalized his or her benefit.*

**20. Are state income taxes deducted from DROP withdrawals?**

*No. Withdrawals from DROP accounts are exempt from Louisiana state income tax.*

**21. Does a rollover count toward meeting the Required Minimum Distribution (RMD) requirement?**

*No. Rollovers do not count toward meeting the RMD requirement.*

**22. Can a member select to participate in DROP while opting to retire with an actuarially reduced benefit?**

*No. Members who retire with an actuarially reduced benefit are not eligible to participate in DROP.*

**23. 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.*

**24. Is the DROP eligibility for each class the same as the unreduced, regular retirement eligibility?**

No. It is the same for all classes **except** for the Harbor Police (HARP) Plan and the Wildlife Agents Plan (WLO2). Both HARP and WLO2 have separate eligibilities for DROP and for unreduced, regular retirement.

**25. If a member participates in DROP while enrolled in the Corrections Primary Component Plan (COR1), then what plan will the member be placed in if he continues to work after DROP?**

A member who is in the Corrections Primary Component Plan (COR1) plan when participating in DROP will automatically be placed in the Corrections Secondary Component Plan (COR2) if he continues to work after DROP as long as the member completed DROP on or after January 1, 2002.

**26. If a rank-and-file member who was hired on or before June 30, 2006 continues to work after DROP, when would a new Final Average Compensation (FAC) be earned?**

A new Final Average Compensation (FAC) would be earned if the member works at least 36 months after DROP participation ends.

**27. If a rank-and-file member who was hired on or after July 1, 2006 continues to work after DROP, when would a new Final Average Compensation (FAC) be earned?**

A new Final Average Compensation (FAC) would be earned if the member works at least 60 months after DROP participation ends.

**28. If a member has reached 100% of his or her FAC (100% vested status) prior to entering DROP and continues to work after DROP, then should the agency report employee contributions (EEs)?**

No. Once the member has obtained 100% vested status, employee contributions (EEs) should stop; however, employer contributions (ERs) should continue.

**29. How is a member's DROP benefit calculated?**

The member's DROP benefit is calculated in the same way that the member's retirement benefit would be calculated. The number of years of service credit is multiplied by the benefit accrual rate, which is multiplied by the Final Average Compensation. The benefit may be further reduced if the member chose any option other than Maximum Option.

**30. How many days does a member have to work after DROP in order to receive 0.10 of a year of service credit?**

Typically, a member must work at least 13 eight-hour days after DROP in order to receive 0.10 of a year of service credit.

**31. If a member works less than three months after finishing DROP participation, then is the member's service credit still rounded up?**

No. If a member works less than three months after finishing DROP participation, then the member's service credit will be rounded to the nearest tenth (up or down).

**32. If a member selected an option other than the Maximum Option when entering DROP, then can the member's benefit revert to the Maximum Option if the member's retirement beneficiary precedes the member in death?**

Yes. The member can change the retirement option if the retirement beneficiary dies before the member. The benefits that are payable to the member shall be increased to the amount the member would have received had he or she selected the maximum benefit (for more information, refer to [Chapter 9: Retirement Options & Cost-Of-Living Adjustments](#)). This can be done during DROP participation, while working after DROP, or while retired.

## Reference Material

### APPLICABLE FORMS

- [01-06: Designation of Beneficiary](#)
- [02-01A: Authorization for Direct Rollover](#)
- [04-04: Spousal Consent](#)
- [04-05: Authorization for Direct Deposit](#)
- [06-02: Insurance Premium Deduction Authorization](#)
- [06-03: Option 2B Mentally Handicapped Designee](#)
- [07-01: Certification of Unused Annual and Sick Leave](#)
- [08-03: Judicial Application for Deferred Retirement Option Plan \(DROP\) \*\(for members whose first eligibility for membership in one of the four state retirement systems occurred prior to 1/1/2011\)\*](#)
- [08-06: Judicial Certification at End of Employment after 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 \(DROP\) \*\(form to be used if the member was eligible to retire on or before 12/31/1995\)\*](#)
- [09-02: Certification at End of Employment after DROP](#)
- [09-02A: Certification of Continued Employment after DROP Participation](#)
- [09-03: Request for Withdrawal from DROP/ IBO Accounts](#)
- [09-04: Transfer to Self-Directed Plan](#)
- [W-4P: Withholding Certificate for Pension or Annuity Payments](#)

### APPLICABLE AGENCY LIAISON MEMORANDA

- [06-08: Act 75 of the 2005 Regular Session](#)
- [06-14: Certification at End of Employment Forms](#)
- [10-06: LASERS Required Documents and Payment of Retirement Benefits](#)
- [10-12: Termination Date](#)
- [11-04: DROP and Retirement Eligibility Changes for Employees Covered under the Provisions of Act 75](#)
- [13-19: Selecting a Retirement Date](#)

- [15-19: Employees Hired After July 1, 2015](#)
- [16-24: Submission of LASERS Documents Via Fax](#)

### APPLICABLE LAWS AND RULES

(Note: this list is not exhaustive)

- [La. R.S. 11:441](#) Eligibility for Retirement
- [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; Guaranteed Return of Accumulated Contributions
- [La. R.S. 11:446](#) Mode of Payment Where Option Elected
- [La. R.S. 11:447](#) Deferred Retirement Option Plan
- [La. R.S. 11:448](#) Plan Participation
- [La. R.S. 11:449](#) Deferred Retirement Option Plan (Subaccounts)
- [La. R.S. 11:450](#) Termination of Participation
- [La. R.S. 11:451](#) Irrevocability of Election
- [La. R.S. 11:451.1](#) Self-directed Deferred Retirement Option Plan Participants' Subaccounts
- [La. R.S. 11:451.2](#) Selection of Providers
- [La. R.S. 11:451.3](#) Vested Participants
- [La. R.S. 11:582](#) Eligibility; Benefits (DROP Eligibility for WLO2)
- [La. R.S. 11:606](#) Deferred Retirement Option Plan Participation (COR1 after DROP)
- [LAC 58:l.2701](#) Eligibility (DROP)
- [LAC 58:l.2703](#) Participation in Three-Year Program
- [LAC 58:l.2705](#) Effects of Participation
- [LAC 58:l.2711](#) Methods of Withdrawal
- [LAC 58:l.2713](#) Time for Disbursement
- [LAC 58:l.2715](#) Interest
- [LAC 58:l.2717](#) Changes in Withdrawal
- [LAC 58:l.2719](#) Eligibility (New DROP)
- [LAC 58:l.2721](#) Participation in New DROP
- [LAC 58.1.2901-2103](#) Spousal Consent
- [LAC 58.1.3705](#) Tax Liability
- [LAC 58.1.4101-4135](#) Self-Directed Plan
- [Act 818 of 2003](#) Self-Directed Plan

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

- [Chapter 14: Deferred Retirement Option Plan \(DROP\)](#)
- [Chapter 15: DROP/IBO Account Withdrawals & Self-Directed Plan](#)

**APPLICABLE LASERS VIDEOS**

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



## *Deferred Retirement Option Plan (DROP) Application Checklist for Members*

This checklist is to assist you in completing retirement paperwork to be submitted to your Human Resources Personnel Officer. Deposits will not be made into the DROP account 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:**

- Section 1 through Section 9 of the appropriate DROP application
- If applicable, complete Form 04-04: Spousal Consent (*For the Retirement Benefit, 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. For the DROP Benefit, this form is required if member's spouse is receiving less than 50% of the DROP Benefit.*)
- 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



## Retiring After DROP 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.

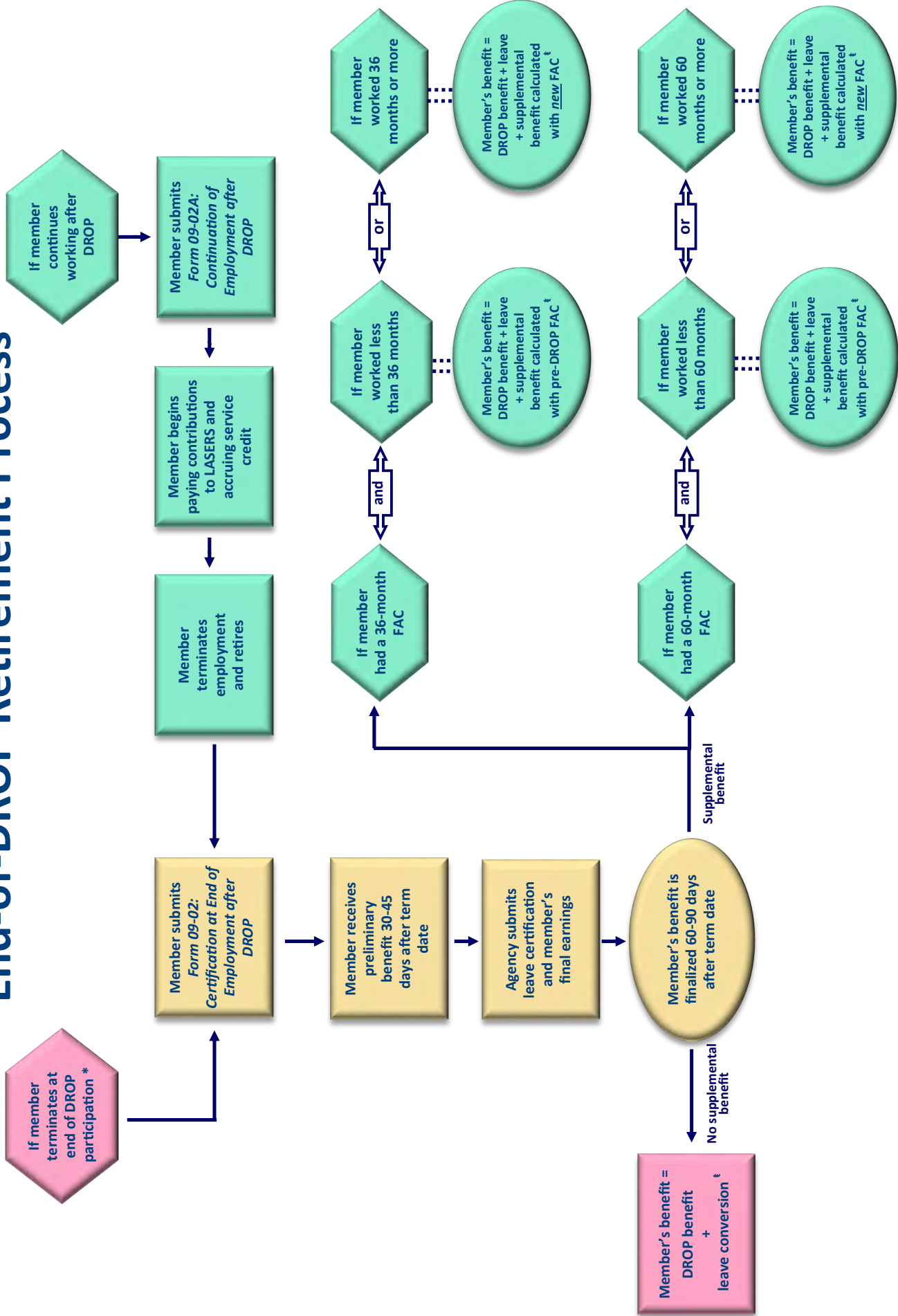
### **FORMS TO COMPLETE:**

- Section 1 through Section 5 of Form 09-02: Certification at End of Employment after DROP
- 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 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.*)

### **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

# End-of-DROP Retirement Process



\* If a member terminates employment prior to his or her DROP end date, the member would be required to retire immediately following the termination date. The member will forfeit DROP participation time and subsequent DROP deposits.

‡ Benefit calculation would also include any purchases made during DROP participation or while working after DROP.

## Content

### [Overview](#)

### [What is Disability Retirement?](#)

### [The Disability Process](#)

### [The Approval Process](#)

### [Calculating a Disability Benefit](#)

### [Continuing Disability](#)

### [Returning to Active Service](#)

### [The Denial Process](#)

### [Disability Converting to Regular Retirement](#)

## Quick Links

### [Employer Quick Check](#)

→ [Disability Application](#)

→ [Disability Approval](#)

### [Reference Material](#)

[Flowchart: Disability Retirement Process](#)

## Frequently Asked Questions

### Retirement Application Checklists for Members

→ [Applying for Disability Retirement](#)

→ [Approved for Disability Retirement](#)

## Overview

This chapter outlines the steps to be taken when a member applies for Disability retirement. For information on other types of retirement (Regular, DROP and IBO), refer to Chapters 10, 11, and 12, respectively. LASERS encourages the employer, as well as the member, to make sure eligibility has been met prior to submitting an application for Disability (refer to the section *Who is Eligible?* in this chapter).

Prior to applying for Disability retirement, members should consider all retirement options available to them. Once a Disability application has been submitted, it can be rescinded; however, it must be rescinded *prior to the case being submitted to the LASERS Board of Trustees for approval or disapproval.*

Members of certain specialty plans have different Disability eligibilities and may be eligible for Line of Duty Disability based on their specific retirement plan. For Disability applicants who are in one of the following specialty plans, refer to the appropriate retirement chapter of this handbook:

- ❖ Corrections Primary
- ❖ Corrections Secondary
- ❖ Judicial Plan – hired prior to January 1, 2011
- ❖ Hazardous Duty Services Plan
- ❖ Wildlife Agents Plan
- ❖ New Orleans Harbor Police Plan

**NOTE:** *Disability retirees cannot participate in DROP, choose an IBO, or receive a lump sum payment of leave. They are also unable to select the Self-Funded COLA.*

## What is Disability Retirement?

If a member becomes totally disabled and incapable of performing his or her normal job duties *while actively employed in state service*, then he or she may be eligible to receive a Disability retirement benefit.

## WHO IS ELIGIBLE?

Members are eligible to apply for Disability retirement if they are unable to perform their work duties and meet the following criteria:

- ❖ 10 years of service at any age
- ❖ Disability incurred while the member was contributing to LASERS and actively employed in state service.

Members who are eligible for Regular retirement, including Regular retirement with an Actuarially Reduced Benefit, whether active or inactive, are not eligible to apply for Disability retirement. However, if an active member submits his or her application and *has less than 20 years on the day the application is received*, he or she will be considered eligible for



*LASERS strongly encourages members who are considering Disability retirement to obtain a **Disability estimate** prior to submitting an application.*

Disability, even if the member has 20 years of service at the time the application is approved.

**NOTE:** *Any disabling condition claimed by a member of LASERS must have been incurred after the date of hire and while in state service. Disability claims will not be honored in the case of pre-existing conditions.*

## The Disability Process

Disability retirement must be recommended by a LASERS State Medical Disability Board physician or a Board designated physician, and must be approved by the LASERS Board of Trustees. This process requires information from the member, the member's employing agency, the member's attending physician, and a LASERS board physician. Approval or denial of an application must occur within 120 days of the date of receipt of the Disability application.

### Employer Quick Check: Disability Application

- ✓ Did the member complete [Form 04-01](#)? *Members typically submit this form directly to LASERS, but in a case where the employer is submitting, it is important to complete and submit the form in a timely manner.*
- ✓ Did the member's direct supervisor and the Human Resources Personnel Office complete and certify [Form 04-01A](#)? *This form must be submitted with the application.*
- ✓ Did the member have his or her attending physician complete [Form 04-01B](#)? *This form must be submitted with the application.*
- ✓ If the application was submitted by the agency, did the member receive a copy of the forms?
- ✓ If the application was submitted by the agency, did a copy of the forms go into the member's personnel file?

## HOW TO APPLY

When a member applies for Disability retirement, he or she should contact the agency's Human Resources Office to obtain the three-part Disability Application which consists of the following forms:

- ❖ [Form 04-01: Disability Retirement Application](#)
- ❖ [Form 04-01A: Disability Report](#)
- ❖ [Form 04-01B: Attending Physician's Statement of Disability Retirement](#)

The three-part application should be submitted as one document to LASERS. LASERS will confirm this information with the agency upon receipt of the application. If the application is not complete when received, the member will have 10 business days to submit a completed document to LASERS or the application will be rejected.

The member is responsible for completing all pages of [Form 04-01:](#)

[Disability Retirement Application](#) in its entirety.

Once submitted, the member cannot make any changes to the application; this includes changing the retirement option selected.

The employing agency is responsible for completing [Form 04-01A: Disability Report](#). This form must be signed by the member's direct supervisor and by the agency's Human Resource Personnel Officer. The form requires a description of the member's specific work duties and those duties that he or she is unable to perform as a result of the disability. In order for the member to be eligible for Line of Duty benefits, the disability must be a result of an injury or accident on the job, which was sustained in the official performance of official duties.

It is the member's responsibility to have [Form 04-01B: Attending Physician's Statement of Disability Retirement](#) completed by his or her personal physician or the

physician's designee. The physician should state the member's diagnosis and the date the disability occurred.

Along with the three-part application, members should submit a copy of their most recent Civil Service job description. Members should also submit copies of all medical records that pertain to the condition for which they are applying. Members are responsible for obtaining the records from the attending physician at their own expense. LASERS **does not** request medical records on the member's behalf and will not reimburse a member for the expense incurred for obtaining the records.

**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.*



*The Disability retirement process can take up to **four months** to complete.*

## CASE REVIEW

Once the completed application is received by LASERS, a packet is sent to a State Medical Disability Board physician in a field that relates closest to the member's condition. The physician will review the member's case history. LASERS pays all costs associated with the case review.

Once the review is completed, the physician will make one of the following determinations:

- ❖ Additional records and/or additional testing is needed.
- ❖ The case history, including any medical records submitted, is not sufficient to make a recommendation for approval to the Board. If this situation occurs, an Independent Medical Exam (IME) is requested.
- ❖ The case history, including any medical records submitted, is sufficient to recommend approval for Disability retirement to the Board.

A recommendation of approval for Disability retirement from a Board approved physician means that he or she agrees that the member has become totally incapacitated from the further performance of the member's normal work duties. A member cannot be recommended for denial based on case review alone.

### Additional Testing or Records

If the physician recommends that additional testing or medical records are required, then LASERS will contact the member for the additional information. If additional records are requested, the member must obtain copies of the medical records at his or her expense. If additional testing is required, LASERS will schedule the testing for the member. The testing will be at the expense of LASERS.

Once all the information has been received and reviewed by the appointed physician, he or she will determine if the new information is sufficient to recommend approval to the LASERS Board of Trustees. If the physician is unable to make a determination, then the member will be scheduled for an Independent Medical Exam (IME).

### INDEPENDENT MEDICAL EXAM (IME)

An IME is an Independent Medical Examination that is requested by the State Medical Disability Board physician if he or she determines there was not sufficient evidence to support a recommendation for approval to the LASERS Board of Trustees.

This examination is done at the expense of LASERS. LASERS will coordinate the appointment with the member and physician. The member will be informed of the appointment date, the appointment time, and the physician's cancellation policy in writing.

Depending upon the response from the physician who performed the case review, the member will either see the case review physician or a specialist. Once the IME is completed, the case review physician or specialist will submit the medical evaluation and his

or her conclusions as to whether the member should be recommended for approval or denial to the LASERS Board of Trustees.

**NOTE:** *If the member fails to appear for this examination and the physician charges a cancellation fee, then the member will be responsible for paying the fee.*

### PRE-EXISTING CONDITIONS

At any point during the process, if the State Medical Disability Board physician determines that the member's condition is pre-existing and did not occur during state service, the member's case will be recommended to the Board of Trustees for denial for a pre-existing condition. The **only** exception is if a member's condition existed prior to state service but became disabling during state service, then the case may be considered.

### BOARD REVIEW AND DECISION

Once a member has been recommended for approval or denial by the State Medical Disability Board physician, the case will be presented to the LASERS Board of Trustees at the next scheduled monthly board meeting. Based on the information presented from the case review, additional testing, and/or IME, the Board of Trustees will make a decision to approve or deny the member for Disability retirement. The member will be notified of the decision by letter and the employing agency will receive a copy.

**NOTE:** *LASERS staff cannot discuss the physician's recommendation prior to the case going before the LASERS Board of Trustees.*

## The Approval Process

Once a member is approved for Disability retirement, he or she is required to retire as a Disability retiree. The member will be notified that he or she must terminate state service immediately. A member may choose to remain on sick and/or annual leave in lieu of terminating state service. If he or she decides on this option, then the member is required to submit [Form 04-02: Disability Retirement Waiver to Remain on Leave](#). By submitting this form and remaining on leave, the member waives his or her right to any disability benefit for the period of time on leave. Once approved for Disability, no retroactive benefits will be paid for the time that the member was on leave, because the member is considered to be in state service. The member will still be required to submit [Form MSD12: Attending Physicians Statement](#) (for more information, reference the section *Continuing Disability Retirement* in this chapter).

If a member does not terminate state service and continues to actively work, whether or not leave has been exhausted, the member will be considered "returning to active service". The Human Resources Personnel Officer should submit [Form 10-02A: Re-employment of Disability Retiree](#). For more information, reference the section *Returning to Active Service* in this chapter.

### TERMINATING STATE SERVICE

Upon approval for disability, the agency must determine the termination date. A member's Disability retirement will take effect on one of the following dates:

- ① Date the application was received by LASERS – *the agency is notified primarily by email when the application is received and should document this date for their records.*  
- OR -
- ② Day after the termination date – *this will either be the member's last day of work or the last day of leave.*  
- OR -
- ③ First **full, continuous** day of Leave Without Pay (LWOP) – *this means the member was not paid for work or leave for a full day, nor did he or she receive any pay or leave any day thereafter.*

### Determining a Retirement Date

**Example 1:** A member's completed application was received on December 1, 2015 and approved for Disability retirement on January 26, 2016. The agency submitted a leave certification form indicating a termination date of February 15, 2016 and a LWOP date of February 5, 2016.

#### **Retirement Date = February 5, 2016**

In this case, the LWOP date occurred prior to the termination date, but after the date that the application was received. Since LWOP occurred prior to the termination date, it is the effective retirement date.

**Example 2:** A member's completed application was received on December 1, 2015 and approved for Disability retirement on January 26, 2016. The agency submitted a leave certification form indicating a termination date of February 15, 2016.

#### **Retirement Date = February 16, 2016**

In this case, there was no LWOP date so the retirement date is the day after the member's termination date.

**Example 3:** A member's completed application was received on December 1, 2015 and approved for Disability retirement on January 26, 2016. The agency submitted a leave certification form indicating a termination date of February 15, 2016 and an LWOP date of November 15, 2015.

#### **Retirement Date = December 1, 2015**

In this case, since the member was on LWOP when the application was received, the retirement date is the same as the date that the application was received. A member's retirement date cannot be prior to the application date for Disability Retirement.

### SUBMITTING LEAVE CERTIFICATION

Once the termination date has been determined, [Form 07-01: Certification of Unused Annual and Sick Leave](#) must be submitted by the Human Resources Personnel Officer. This form should indicate the termination date and LWOP date, if applicable. LASERS determines the effective date of retirement based on the termination date listed on the leave certification. For more information on how leave is calculated, reference [Chapter 14: Conversion of Unused Annual & Sick Leave](#).

**NOTE:** *If the member was on LWOP when the application was submitted, then the retirement date will be the same as the date the application was received.*

### SUBMITTING FINAL EARNINGS

Final earnings are submitted via the agency's monthly contribution (payroll) report, typically during the month following the member's termination date. The earnings reported should only include the remaining days worked and/or on paid leave up to the member's termination date.

Once reported, earnings and contributions are verified to the hour and must be exact. For example: A member worked 40 hours and was on sick leave

for 30 hours. The hourly rate was \$45.00; therefore, the final earnings reported should equal \$3,150.00. If the earnings are not exact, the agency will be contacted to explain the discrepancy.

### REQUIRED DOCUMENTS

LASERS will mail an approval letter to the member to request any additional documentation needed to ensure timely and accurate processing of the disability benefit. To ensure proper identification of documents, the member's full name and the last four digits of his or her Social Security number should be clearly written on all documents submitted to LASERS.

The following documents may be required:

- ❖ Copies of birth certificate for member and beneficiary(ies)
- ❖ Copies of Social Security card for member and beneficiary(ies)
- ❖ Copy of death certificate (if applicable) - required if member's spouse is deceased
- ❖ Certified copy of Divorce Decree (if applicable) - 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)

## Employer Quick Check: Disability Approval

✓ Did the Human Resources Personnel Officer submit [Form 07-01: Certification of Unused Annual and Sick Leave](#) with the correct termination date? (Refer to the section *Terminating State Service* in this chapter).

✓ Did the Human Resources Personnel Officer submit exact final earnings up to the termination date? (Refer to the section *Submitting Final Earnings* in this chapter).

In addition to the approval letter, LASERS will mail the following forms to the member (if applicable). The forms listed below with an asterisk (\*) may not apply to all members:

- ❖ [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
- ❖ [Form 04-04\\*: Spousal Consent](#) – only needed if the member is selecting a beneficiary other than his or her spouse or if the disability 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 06-03\\*: Option 2B Mentally Handicapped Designee](#) – only needed if the member has chosen Option 2B

## Calculating a Disability Benefit

Members approved for Disability retirement will receive an unreduced maximum disability benefit based on the accrual rate of their retirement plan. The maximum benefit calculation is the member’s final average compensation (FAC) multiplied by the years of service and accrual rate (for more information on FAC, refer to Chapter 8: Retirement Benefit Calculation & Eligibility). The maximum disability benefit may be reduced based on the retirement option selected by the member (refer to the *Benefit Options* section of this chapter).

To calculate a disability benefit for members in the following specialty plans, including Line of Duty, visit the appropriate chapter in this handbook:

- ❖ Corrections Primary
- ❖ Corrections Secondary
- ❖ Judicial Plan– hired prior to January 1, 2011
- ❖ Hazardous Duty Services Plan
- ❖ Wildlife Agents Plan
- ❖ New Orleans Harbor Police Plan

## BENEFIT CALCULATION

**Example:** Chris is age 52 and has accrued 10.90 years of service credit. He has an annual final average compensation (FAC) of \$40,000. He has 0.50 years of unused leave to convert to service credit. His maximum disability retirement benefit would be calculated in the following manner:

| <b>Disability Maximum Benefit</b> |   |
|-----------------------------------|---|
| Final Average Comp (FAC)          | \$40,000                                    |
| x                                 | x   |
| Accrual Rate                      | 2.5%  |
| x                                 | x   |
| Years of Service                  | 10.90                                       |
| =                                 | =   |
| <b>Maximum Benefit</b>            | <b>\$10,900 per year (\$908.33 monthly)</b> |

| <b>Unused Leave Converted to Service Credit</b> |   |
|---|---|
| Final Average Comp (FAC)                        | \$40,000                                |
| x   | x                                       |
| Accrual Rate                                    | 2.5%                                    |
| x   | x                                       |
| Years of Service                                | 0.50                                    |
| =   | =                                       |
| <b>Leave Conversion</b>                         | <b>\$500 per year (\$41.67 monthly)</b> |

His monthly Disability retirement benefit is calculated by adding his maximum Disability benefit and his unused leave benefit: \$908.33 + \$41.67 = \$950. Therefore, he will receive **\$950** per month until his death or until he converts to Regular retirement. Depending upon the option Chris chooses, his benefit could be further reduced (reference Chapter 9: Retirement Options & Cost-of-Living Adjustments).

## LEAVE CONVERSION

At the time of retirement, a member may receive additional benefits for their unused, accumulated annual and sick leave. Upon certification by the agency, the leave will be converted to service credit and included in the member's monthly disability benefit. Disability retirees do not have the option to receive a lump-sum payment for their unused leave.

[Form 07-01: Certification of Unused Annual and Sick Leave](#) must be submitted to LASERS after the member terminates employment, even if there is no remaining leave to convert. This form is important to the disability process because it is the primary document for determining the member's termination date. If the member was on leave without pay (LWOP) during the final month(s) of employment, then the LWOP date listed on the leave form should be the first **full, continuous** day of leave without pay. For a more detailed explanation, refer to the *Terminating State Service* section of this chapter.

## BENEFIT OPTIONS

Members applying for Disability retirement must select a retirement option at the time the application is submitted to LASERS. Once an option is selected, it cannot be changed until a member is eligible for an unreduced regular retirement (for more information, reference the section *Converting from Disability to Regular Retirement* in this chapter).

Members have the same options available under Disability retirement as all other LASERS retirement plans, **excluding Option 4A**. If a member chooses an option other than maximum, the disability benefit will be reduced from the maximum amount using an **actuarial disability factor**. For more information on options available, refer to [Chapter 9: Retirement Options & Cost-Of-Living Adjustments](#).

## HEALTH INSURANCE

Once a member is approved for Disability retirement, the agency may be responsible for paying 75 percent of his or her Office of Group Benefits (OGB) premium. The member must have participated in OGB for 10 years to qualify for this participation rate.

## THE SELF-FUNDED COLA

The Self-Funded COLA option is **not** available to Disability Retirees. For this reason, information on the Self-Funded COLA is not listed on the disability application.

## CONTINUING DISABILITY

When a member receives a Disability retirement benefit, he or she is required to provide certain certifications to prove continuing eligibility for disability benefits. The following certifications are mandatory:

- ① Earned Income Statement (EIS)
- ② Attending Physician Statement (APS)

## EARNED INCOME STATEMENTS (EIS)

Disability retirees may accept employment in a non-LASERS eligible position. Earnings from this employment are limited to the difference between the retiree's FAC, adjusted for inflation based on the Consumer Price Index (CPI), and the retiree's disability benefit. LASERS sends a letter with an attached EIS to all disability retirees in February of each year. Regardless of their employment status, they must submit the notarized EIS to LASERS by May 1st of each year. Members must also submit a copy of their W-2 and 1040 IRS forms. Failure to return the statement and supporting documents in a timely manner may result in suspension or eventual termination of the disability benefit.

## ATTENDING PHYSICIAN STATEMENTS (APS)\*

Disability retirees are required to submit proof of their continued disability by completing [Form MSD12: Attending Physician Statement \(APS\)](#). This form must be completed by the member's personal physician and returned to LASERS on or before the member's anniversary date. The physician who signs the form must be a medical doctor. *LASERS pays for the cost of the visit*. The APS form includes a medical bill to be submitted by the physician to LASERS. Failure to comply with certification requirements may result in suspension or eventual termination of disability benefits.

LASERS mails the APS to the retiree 90 days prior to his or her anniversary date of retirement. Retirees are required to be certified on the third year following approval for Disability retirement. If the physician certifies improvement is not expected or medically likely, then LASERS Executive Counsel will determine whether to stop requiring further exams. If further exams are required, then they will occur on a three year basis.

*\*APS procedures were modified in 2020.*

## Returning to Active Service

At any point, Disability retirees may decide that they are capable of returning to active state service. If so, [Form 10-02A: Re-employment of Disability Retiree](#) should be submitted to LASERS by the Human Resources Personnel Officer. This form requires that the member make a selection of one of two re-employment options:

- ① Return to work and terminate his or her disability benefit
- ② Return to work for a six-month trial period

### RETURNING TO WORK AND TERMINATING DISABILITY BENEFIT

Retirees who decide to return to work and terminate their disability benefit will begin contributing to LASERS. Any service credit accrued prior to disability retirement will be restored to the member's account.

### RETURNING TO WORK FOR SIX-MONTH TRIAL PERIOD

Retirees who decide to return to work for a six-month trial period will have their disability benefit suspended during this time. The retiree and employer will contribute to LASERS during the length of the trial period. No changes shall occur with respect to the retiree's Group Benefit insurance. The retiree shall be treated as if he or she were still receiving a disability benefit; however, deductions should be made from his or her employment earnings instead of the retirement benefit.

- If the retiree decides to terminate employment at any point during the six-month trial period, his or

her disability retirement benefit will resume without having to re-apply for disability. All employee and employer contributions submitted to LASERS will be returned to the retiree and the agency.

- If the retiree decides to continue working for six months or longer, his or her disability benefit will be terminated.

### ELIGIBILITY CREDIT AFTER RETURNING TO ACTIVE SERVICE

If the retiree decides to return to active service and works three or more years, the time that the retiree was receiving a disability benefit will count towards retirement eligibility credit, but not for the calculation of benefits. When this occurs, it can possibly impact a member's eligibility for Regular retirement or DROP participation.

**Example:** Chris had 10.90 years of service credit when he began Disability retirement on January 1, 2009. He returned to work on May 1, 2013 for a six-month trial period. He continued to work past the six-month trial period, so his Disability benefits were terminated and all previous service credit was restored. As of May 2016, he has worked over three years, so he will receive retirement eligibility for the time that he was on Disability retirement. His total service credit is calculated below:

|  | Eligibility Service Credit | Computation Service Credit |
|--|----------------------------|----------------------------|
| Initial Service Credit                         | 10.90                      | 10.90                      |
| Credit for time while on Disability retirement | 4.40                       | 0                          |
| Service Credit earned after returning to work  | 3.10                       | 3.10                       |
| <b>Total Service Credit</b>                    | <b>18.40</b>               | <b>14.00</b>               |

He currently has 18.40 years of retirement eligibility and 14.00 years for the calculation of benefits. Computation service credit is not granted during the time the member was on Disability retirement since contributions were not made to LASERS during that time period.

## The Denial Process

If the LASERS Board of Trustees, upon recommendation from the State Medical Disability Board, agrees that the member is not permanently and totally incapacitated, then the member will be **denied** for Disability retirement. Members who are denied disability benefits have the right to appeal the decision.

LASERS will mail a letter to the member stating that he or she has been denied, with [Form MSD46: Disability Appeal](#) attached to the letter. If the member wants to appeal the decision, then he or she must return [Form MSD46: Disability Appeal](#) or file a written statement within 30 days of notification of the denial. If a member does not appeal within 30 days, the file will be closed. If eligible, the member can re-apply at a later date.

Members who choose to appeal the denial of disability benefits will undergo extra examinations, some of which are at the member's expense, to determine if the denial will be overturned. A member whose appeal is denied by the Board of Trustees may then appeal that decision to the Nineteenth Judicial District Court. This appeal must be filed within 30 days of the denial.

## Converting From Disability To Regular Retirement

A Disability retiree has the option to convert from Disability retirement to Regular retirement on the date he or she meets Regular retirement eligibility or anytime thereafter. If a Disability retiree has retired out of state service with at least 20 years, he or she **does not** have the option to remain on disability and must convert to Regular retirement.

Upon attaining regular retirement eligibility, Disability retirees will have the option to:

- ❖ Remain on Disability retirement
- ❖ Convert to Regular retirement

Retirees who select to remain on Disability retirement will have no changes to their benefit. They will still be required to submit Earned Income Statements, but will no longer have to submit Attending Physician Statements.

Disability retirees who convert to Regular retirement can make one or more of the following choices:

- ❖ Select Initial Benefit Option (IBO)
- ❖ Select Self-Funded COLA
- ❖ Change retirement option
- ❖ Change beneficiary
- ❖ Select lump sum leave payment

Making any of the above choices will impact a retiree's current retirement benefit. Even if a retiree selects to keep his or her previous option, the current retirement benefit amount may change due to the current actuarial factors.

Disability retirees who convert to Regular retirement will no longer be required to submit Earned Income Statements or Attending Physician Statements.

## Frequently Asked Questions

### 1. If a member was injured prior to state service, is he or she eligible for Disability retirement?

No. The disabling condition must have occurred after the date of hire and while the member was actively employed in state service. If the member's condition existed prior to state service but **became disabling during state service**, the case may be considered.

### 2. Can a disability applicant rescind his or her Disability Application?

Yes. However, it must be rescinded prior to the case being submitted to the LASERS Board of Trustees for approval or disapproval.

### 3. What happens if a member submits an incomplete application to LASERS?

The member will have 10 business days to submit a completed application to LASERS. If it is not received within this time period, the application will be rejected.

### 4. Does a member have to designate a Disability retirement beneficiary?

Yes. A member must designate a Disability retirement beneficiary.

### 5. Who is responsible for completing [Form 04-01A: Disability Report](#)?

This form must be completed by the member's employing agency and signed by the member's direct supervisor and the agency's Human Resources Personnel Officer.

### 6. Who is responsible for paying a State Medical Disability physician or Board approved physician for Case Reviews and IMEs?

LASERS is responsible for paying all costs associated with Case Reviews and IMEs, **except** "no-show" or cancellation fees charged by a physician, for the normal disability process. The member is responsible for all costs associated with the appeal process.

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

The first payment is made 30 to 45 days after the member has been approved for Disability retirement, as long as the member has submitted all required documents to LASERS, has terminated state service or exhausted leave, and the agency has submitted the member's leave certification form.

### 8. How will a member know when he or she has been approved or denied for Disability retirement?

Once the LASERS Board of Trustees makes a decision, a letter is mailed to the member stating approval or denial. If the member is denied Disability retirement, [Form MSD46: Disability Appeal](#) is mailed along with the decision letter.

### 9. What happens if a member is denied Disability retirement by the LASERS Board of Trustees?

The member will be able to appeal the decision. The member must return [Form MSD46: Disability Appeal](#) or file a written statement of appeal within 30 days of notification of the denial.

### 10. Can a member continue to work after being approved for Disability retirement?

No. Once a member is approved for Disability retirement, he or she must terminate state service immediately. If a member continues to work after being approved for Disability retirement, then he or she will be considered a Disability re-employed retiree and will be subject to re-employment laws.

### 11. Can a member remain on annual or sick leave after being approved for Disability retirement?

Yes, a member may choose to remain on sick or annual leave in lieu of terminating state service. The member must submit [Form 04-02: Disability Retirement Waiver to Remain on Leave](#). By submitting this form, the member is forfeiting any disability benefits for the period of time that he or she is on leave. Once leave is exhausted, the member must terminate immediately.

**12. Can a disability applicant change his or her retirement option before the retirement date?**

No, once the application is filed with LASERS, a member cannot change his or her retirement option.

**13. Can a disability applicant choose the Self-Funded COLA option?**

No, the Self-Funded COLA option is not available to Disability retirees.

**14. When should the agency submit Form 07-01: Certification of Unused Annual and Sick Leave?**

Once the member is approved for Disability retirement, Form 07-01: Certification of Unused Annual and Sick Leave should be submitted immediately following the member's termination date. If the member is not terminating state service and is remaining on leave, then [Form 04-02: Disability Retirement Waiver to Remain on Leave](#) should be submitted in lieu of the leave certification. As soon as leave is exhausted, [Form 07-01: Certification of Unused Annual and Sick Leave](#) should be submitted immediately following the member's termination date.

**15. Can a Disability retiree be paid his or her leave in a lump sum balance?**

No. Upon certification by the agency, any unused leave **must be converted** to service credit and included in the member's monthly disability benefit.

**16. If a member was on leave without pay (LWOP) during the last month of his or her employment, what LWOP date should be listed on Form 07-01: Certification of Unused Annual and Sick Leave?**

The agency should list the **first full, continuous day** of the member's LWOP on the leave certification form. There should be no earnings posted to the member's account after the LWOP date.

**17. What happens if a member wants to return to work but is unsure if he or she is able to perform the duties?**

A member can return to work on a six-month trial period. The disability benefit will be suspended during this time. Once the trial period is over, the member will need to decide if he or she wants to continue working or terminate employment. For more information, reference the section on Returning to Active Service in this chapter.

**18. If a Disability retiree returns to active service after receiving a Disability retirement benefit, what happens to the "time" that the retiree was receiving his or her benefit?**

If a Disability retiree returns to active service, his or her years of service are reinstated. If the retiree works three or more years after returning to active service, then he or she will receive eligibility credit for the time period in which the retiree was receiving a disability benefit.

**19. Can Disability retirees submit an Attending Physician Statement (APS) form four months prior to the APS being due because that is when they have an appointment with their doctor?**

No. The APS is not due until LASERS requests it. It is typically requested 90 days prior to the retiree's anniversary date of retirement.

**20. Can a member who is approved for Disability Retirement choose not to collect his or her benefit?**

Yes, the benefit will be suspended for the time period the member chooses not to receive the benefit. During this time, the member will not be required to submit Earned Income Statements and Attending Physician Statements.

## Reference Material

### APPLICABLE FORMS

- [01-06: Designation of Beneficiary](#)
- [02-01A: Authorization of Direct Rollover](#)
- [04-01: Disability Retirement Application](#)
- [04-01A: Disability Report](#)
- [04-01B: Attending Physician's Statement of Disability Report](#)
- [04-02: Disability Retirement Waiver to Remain on Leave](#)
- [04-04: Spousal Consent](#)
- [04-08: Disability to Regular Retirement Election](#)
- [06-02: Insurance Premium Deduction Authorization](#)
- [06-03: Option 2B Mentally Handicapped Designee](#)
- [07-01: Certification of Unused Annual and Sick Leave](#)
- [10-02A: Re-employment of Disability Retiree](#)
- [MSD12: Attending Physician Statement](#)
- [MSD46: Disability Appeal](#)
- [W-4P: Withholding Certificate for Pension or Annuity Payments](#)

### APPLICABLE AGENCY LIAISON MEMORANDA

- [06-08: Act 75 of the 2005 Regular Session](#)
- [10-06: LASERS Required Documents](#)
- [11-09: Applying for Disability](#)
- [12-26: Disability Retirement for Employees with 20 Years](#)
- [13-02: Leave Certification Form](#)
- [13-06: Disability Retirement for Employees with 20 Years \(Clarification of Liaison Memo 12-26\)](#)

### APPLICABLE LAWS & RULES

(Note: this list is not exhaustive)

- [La. R.S. 11:212](#) Louisiana State Employee's Retirement System
- [La. R.S. 11:214](#) Employees of the Enforcement Division in the Department of Wildlife and Fisheries

- [La. R.S. 11:216](#) Pre-existing Conditions
- [La. R.S. 11:217](#) Disability Vesting
- [La. R.S. 11:218](#) Application and Examination Procedures; Certification of Disability
- [La. R.S. 11:219](#) State Medical Disability Board
- [La. R.S. 11:220](#) Certification of Continuing Eligibility for Disability Benefits
- [La. R.S. 11:221](#) Authority of Retirement Boards to Modify Benefits; Earnings Statements
- [La. R.S. 11:224](#) Restoration to Active Service
- [La. R.S. 11:225](#) Restoration to Active Service; Trial Period
- [La. R.S. 11:424](#) Conversion of Annual and Sick Leave to Retirement Credit; Payment
- [La. R.S. 11:444](#) Computation of Retirement Benefits
- [La. R.S. 11:445](#) Payment of Benefits; Guaranteed Return of Accumulated Contributions
- [La. R.S. 11:446](#) Mode of Payment Where Option Selected
- [La. R.S. 11:461](#) Eligibility; Certification
- [La. R.S. 11:463](#) Certification of Continuing Eligibility for Disability Benefits; Paid by the Louisiana State Employee's Retirement System
- [La. R.S. 11:561](#) Disability Retirement Pay
- [La. R.S. 11:583](#) Disability Retirement
- [La. R.S. 11:584](#) Forced Retirement
- [La. R.S. 11:603](#) In Line of Service Disability
- [La. R.S. 11:617](#) Disability Retirement
- [La. R.S. 44:15](#) Medical Records of Persons Applying for Disability Retirement through any State or Statewide Public Retirement System or Pension Plan or Fund
- [LAC 58.I.2501](#) Application for Disability Retirement

- [LAC 58.I.2503](#) [Disability Board of Physician's Recommendation](#)
- [LAC 58.I.2505](#) [Final Determination](#)
- [LAC 58.I.2507](#) [Contesting Board Physician's Determination](#)
- [LAC 58.I.2509](#) [Judicial Appeal](#)
- [LAC 58.I.2511](#) [Certification of Continuing Eligibility](#)
- [LAC 58.I.2513](#) [Limitation on Earnings](#)
- [LAC 58.I.2515](#) [Report to the Board of Trustees](#)
- [LAC 58.I.2517](#) [Appointment of Physicians to the State Medical Disability](#)
- [LAC 58.I.2519](#) [Termination of Benefits](#)
- [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 16: Disability Retirement](#)
- [Chapter 23: Hazardous Duty Services Plan \(HAZ Plan\)](#)
- [Chapter 26: Correctional Officers Hired Prior to 01/01/11](#)
- [Chapter 27: Peace Officers Hired Prior to 01/01/11](#)
- [Chapter 29: Wildlife Agents Hired Prior to 01/01/11](#)
- [Chapter 31: Judges and Court Officers Hired Prior to 01/01/11](#)

### **APPLICABLE LASERS VIDEO**

- [Annual and Sick Leave: How it Affects You](#)



## *Retirement Application Checklist for Members Applying for Disability Retirement*

This checklist is to assist you in completing Disability retirement paperwork to be submitted to LASERS. 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.

### **DISABILITY APPLICATION:**

*The three-part application should be submitted as one document to LASERS. You must be employed in active state service on the day the application is received by LASERS. LASERS will confirm this information with the agency upon receipt of the application. If the application is not complete when received, you will be notified and will have 10 business days to submit a completed document to LASERS or your application will be rejected.*

- Form 04-01: Disability Retirement Application (*You are responsible for completing all pages in their entirety.*)
- Form 04-01A: Disability Report (*Your employing agency is responsible for completing this form. It must be certified by your direct supervisor and your agency's Human Resource Personnel Officer.*)
- Form 04-01B: Attending Physician's Statement of Disability Retirement (*You are responsible for having this form completed by your attending physician. It must be completed by a physician or a physician's designee.*)

### ***In addition to the three-part Disability Application, you should also submit:***

- Copies of all medical records pertaining to the disabling condition for which you are applying
- A copy of your most recent Civil Service job description (Your Human Resources department can provide this.)



## *Retirement Application Checklist for Members Approved for Disability Retirement*

This checklist is to assist you in submitting Disability retirement paperwork once you have been approved for Disability retirement. 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.

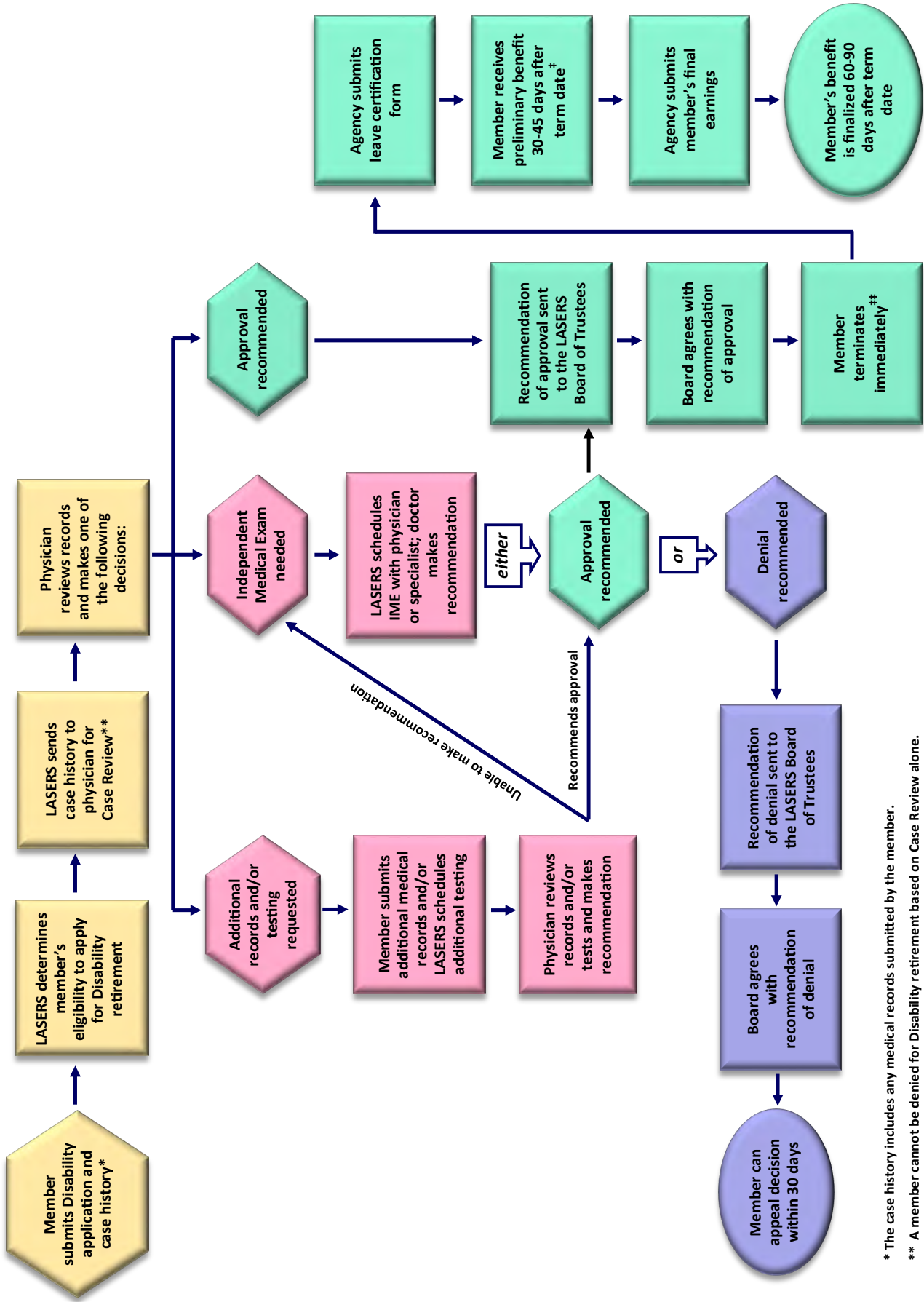
### **DOCUMENTS TO SUBMIT ONCE APPROVED FOR DISABILITY RETIREMENT:**

- 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 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

### **FORMS TO SUBMIT ONCE APPROVED FOR DISABILITY RETIREMENT:**

- Form 04-05: Authorization for Direct Deposit
- Form W-4P: Withholding Certification for Pension or Annuity Payments
- If applicable, Form 06-02: Insurance Premium Deduction Authorization (*This form is required if you are insured through Louisiana Office of Group Benefits.*)
- If applicable, Form 04-04: Spousal Consent (*This form is required if you are selecting a beneficiary other than your spouse or if the Disability retirement option selected does not leave a monthly benefit to your spouse of at least 50 percent of your monthly Disability benefit.*)
- If applicable, Form 01-06: Designation of Beneficiary (*This form is needed if you have chosen a Disability retirement option that allows for more than one beneficiary and you would like to list additional beneficiaries not currently listed on the Disability retirement application.*)
- If applicable, Form 06-03: Option 2B Mentally Handicapped Designee (*This form is needed only if you have chosen Option 2B.*)
- If applicable, Form 04-02: Disability Retirement Waiver to Remain on Leave (*This form is only needed if you elect to remain on leave and waive your right to any Disability benefit for the period of time on leave.*)

# Disability Retirement Process



\* The case history includes any medical records submitted by the member.  
 \*\* A member cannot be denied for Disability retirement based on Case Review alone.  
 † Preliminary benefit cannot be paid by LASERS until all required documents have been received by the member and the leave certification form has been received from the agency.  
 ‡ A member also has the option to remain on leave in lieu of termination. See section *The Approval Process* within this chapter.



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# Chapter 14: Conversion of Unused Annual & Sick Leave

## Content

### [Overview](#)

### [Choosing a Leave Option](#)

### [Certifying Unused Leave](#)

### [Conversion of Unused Leave](#)

#### [→ Converting Leave to Service Credit](#)

#### [→ Lump Sum Payment](#)

#### [→ Lump Sum Rollover to a Qualified Account](#)

#### [→ Leave Exceeding 100% of FAC \(Final Average Compensation\)](#)

### [Certifying Unused Leave for Non-Retirees](#)

### [Leave Certification for Unclassified Officials](#)

## Quick Links

### [Reference Material](#)

#### [→ Applicable Forms](#)

#### [→ Applicable Agency Liaison Memoranda](#)

#### [→ Applicable Laws](#)

#### [→ Applicable Chapter in Member's Guide to Retirement](#)

#### [→ Applicable LASERS Video](#)

## Frequently Asked Questions

### [Sample Form 07-01: Certification of Unused Annual & Sick Leave](#)

## Overview

At the time of retirement, LASERS members may receive additional benefits for their unused, accumulated annual and sick leave. Members can choose one of two options: a conversion to service credit, which is added to the member's monthly benefit **OR** a lump sum payment, calculated at an actuarial value.

Members who are **out of state service at the time of retirement** do not receive credit for their unused annual and sick leave *unless they were eligible for regular retirement upon termination of employment*. Any member with at least 20 years of service at the date of termination, who is not in the Correctional Secondary or Wildlife plans, is eligible to retire and therefore eligible for payment of leave, even if out of state service, assuming the leave was certified by the member's agency.

**NOTE:** *If a member terminates employment and later becomes re-employed, the member must contribute to LASERS for at least 18 months before being eligible to receive credit for any unused leave for benefit purposes.*

## Choosing a Leave Option

The application for retirement includes a section in which the member makes a selection regarding his or her unused annual and sick leave. The three options listed on the application are:

- ① Convert all unused annual and sick leave to computation credit
- ② Receive a one-time, lump sum payment of leave calculated at an actuarial value
- ③ Make a direct rollover to an eligible account at a financial institution

Members may choose only one of these options and are unable to split the leave selection by converting to partial service credit and to a partial lump sum. However, if conversion to service credit will result in the member's benefit exceeding 100% of the Final Average Compensation, then a lump sum payment of the excess amount will automatically be made (refer to the section *Leave Exceeding 100% of FAC* in this chapter).



**Annual and sick leave cannot be used towards eligibility credit for any retirement or other benefits paid by LASERS. Members must reach eligibility in their enrolled retirement plan prior to any conversion of leave.**

Converted retirement credit and lump sum payments cannot be issued until all final earnings and leave balances have been reported to LASERS by the agency and all requested documents have been submitted to LASERS by the agency and the member. Leave is paid approximately 90 days after the date of the member's first retirement payment.

## Certifying Unused Annual and Sick Leave

Within 30 days of a member's termination date, the agency is required to submit [Form 07-01: Certification of Unused Annual and Sick Leave](#), even if the member has a zero leave balance. This form is used for Regular Retirement, IBO, Actuarially Reduced Retirement, Disability Retirement and End of DROP Participation (it is not submitted when a member enters DROP).

Form 07-01 certifies the balance of a member's unused annual and sick leave amounts, **not including** the 300 hours of annual leave paid by most agencies upon termination. The agency may pay a member for unused annual leave at their hourly rate of pay at termination; however, this paid leave is not eligible for conversion and should be excluded from the leave balance reported.

**NOTE:** *If a member has earned service credit in multiple retirement plans within LASERS, his or her leave will be pro-rated among the benefit accrual rates based on the service credit earned in each plan. This excludes wildlife agents enrolled in the Wildlife Agents Plan (WLO2) whose last 10 years of service were earned in that plan. Also, pro-rating leave excludes service credit transferred to LASERS from another retirement system.*

Form 07-01 should be filled out in its entirety and should be initialed and signed by an agency Personnel Officer (refer to the sample form at the end of this chapter).

## Conversion of Unused Leave

A member's unused leave is converted to days by adding the hours of annual and sick leave and dividing those hours by eight (8), representing an eight-hour work day. **Any fractional day of one-half (½) or more will be granted as (1) day**, and less than half a day will be disregarded. The unused leave will be converted to credit based on the following table:

| Days of Unused Leave | Service Credit |
|----------------------|----------------|
| 1-26                 | 0.10           |
| 27-52                | 0.20           |
| 53-78                | 0.30           |
| 79-104               | 0.40           |
| 105-130              | 0.50           |
| 131-156              | 0.60           |
| 157-182              | 0.70           |
| 183-208              | 0.80           |
| 209-234              | 0.90           |
| 235-260              | 1 year         |

**Example:** Fred has 609 days of unused annual and sick leave. The credit for his unused leave is calculated as follows:

|                   |                   |
|-------------------|-------------------|
| 260 days =        | 1.00 year         |
| 260 days =        | 1.00 year         |
| 89 days =         | 0.40 year         |
| <b>609 days =</b> | <b>2.40 years</b> |

Fred will receive a total of 2.40 years of service credit for his unused leave.

## Converting Leave to Service Credit

Members may elect to convert their unused annual and sick leave to service credit. If converted, the unused leave will be included in the total service credit used to compute their retirement benefits.

Conversion of leave may not result in a benefit exceeding 100% of the member's Final Average Compensation (refer to the section *Leave Exceeding 100% of FAC* in this chapter).

**Example:** James is retiring at age 54 with 30 years of service credit. He has a Final Average Compensation (FAC) of \$50,000. He has 150 days of unused leave, which converts to 0.60 of a year of credit. His maximum retirement benefit would be calculated in the following manner:

**Retirement Benefit Calculation:**

$\$50,000 \text{ FAC} \times 2.5\% \text{ accrual rate} \times 30 \text{ years} = \$37,500 \text{ per year}$   
 (\$3,125 per month)

**Leave Conversion Calculation:**

$\$50,000 \text{ FAC} \times 2.5\% \text{ accrual rate} \times 0.60 \text{ of a year} = \$750 \text{ per year}$   
 (\$62.50 per month)

**Total Retirement Benefit = \$3,125 + \$62.50 = \$3,187.50 per month**

By converting his unused leave, James' monthly benefit has increased from \$3,125 to \$3,187.50, or \$62.50 per month.

## Lump Sum Payment

Members may elect to receive a lump sum payment for their unused annual and sick leave. The lump sum payment will be paid at an actuarial rate, not at the member's hourly rate of pay.

The lump sum value is calculated by multiplying the additional annual benefit by the actuarial reserve factor\* for the member's age at the time of retirement.

Lump sum payments are subject to a mandatory 20% federal income tax withholding. They can also be subject to a 10% federal early withdrawal penalty. LASERS encourages all members to seek advice from a tax consultant to determine if this applies to their particular situation.

**Example:** If James decided to take a lump sum payment for his 150 days of unused leave, the payment would be calculated in the following manner:

**Leave Conversion Calculation:**

$\$50,000 \text{ FAC} \times 2.5\% \text{ accrual rate} \times 0.60 \text{ years} = \$750 \text{ per year}$

**Lump Sum Calculation:**

$\$750 \text{ additional annual benefit} \times 11.46368 \text{ actuarial reserve factor}^* = \$8,597.76 \text{ lump sum payment}$


James must decide whether to take an additional \$62.50 monthly for his lifetime or accept a one-time lump sum payment of \$8,597.76.

\*The actuarial reserve factor is based on the member's life expectancy and is provided by the LASERS Actuary. The factors change periodically.

### LUMP SUM ROLLOVER TO A QUALIFIED ACCOUNT

A member is allowed to roll over his or her lump sum payment into an IRS qualified plan to avoid the mandatory tax withholding. This choice should be made on the member's retirement application and [Form 02-01A: Authorization for Direct Rollover](#) must be completed by the financial institution and submitted to LASERS.

These funds are exempt from Louisiana state income taxes. Members may be subject to a 10% early withdrawal penalty.



*LASERS will not accept a financial institution's direct rollover form in lieu of a completed [Form 02-01A](#).*

### LEAVE EXCEEDING 100% OF FINAL AVERAGE COMPENSATION

Members who have unused leave that will cause their retirement benefit to exceed 100% of their Final Average Compensation (FAC) will receive an actuarial lump sum payment of the remaining leave. The unused leave will be converted to service credit to reach 100% of the FAC and the remaining amount will automatically be paid as a lump sum at an actuarial rate. The member also has the option to roll over this lump sum to a qualified plan.

**Example:** Colleen has 38.50 years of service credit and chose to convert 2.50 years of leave, for a total of 41.00 years. The credit for her unused leave is calculated as follows:

**Retirement Benefit Calculation:**

$\$4,166.67$  monthly FAC x 2.5% accrual rate x 41.00 years =  **$\$4,270.83$  monthly benefit**

Since the benefit exceeds 100% of the FAC, the monthly benefit will be capped at  **$\$4,166.67$** .

**Lump Sum Calculation:**

$\$4,270.83$  benefit -  $\$4,166.67$  FAC =  $\$104.16$   
 $\$104.16$  difference x 12 months x 9.6138 actuarial factor =  **$\$12,017.26$  lump sum payment**

Colleen's final monthly benefit amount is  $\$4,166.67$ . The remaining leave would provide a lump sum payment in the amount of  $\$12,017.26$ .

## Certifying Unused Leave for Non-Retirees

When a member terminates employment but is not retiring, LASERS recommends that the agency certify the member's unused leave (in certain circumstances) by submitting [Form 07-01: Certification of Unused Annual and Sick Leave](#).

Leave should be certified if:

- ❖ The member has five years or more of service credit
- ❖ The member has more than 300 hours of leave

It is not necessary to certify leave if:

- ❖ The member is refunding from LASERS
- ❖ The member is accepting employment in another LASERS eligible position

This will allow the member to receive credit for the unused leave if he or she should ever return to a LASERS eligible position or eventually retire.

### Form Quick Check

- ✓ Was a leave selection made on the member's retirement application?
- ✓ Was [Form 07-01: Certification of Unused Annual & Sick Leave](#) completed in its entirety and submitted within 30 days of the member's termination date?
- ✓ If applicable, did the member submit [Form 02-01A: Authorization for Direct Rollover](#)?

## Leave Certification for Elected Officials and Certain Unclassified Officials

Leave earned while serving as an elected official or an official appointed by the Governor and confirmed by the Senate is exempted from the leave conversion provisions of La R.S. 11:424, unless the official was participating in the Senior Executive Exchange Program.

## Frequently Asked Questions

### 1. Can a member convert part of his or her unused leave and take a lump sum payment for the remaining unused leave in a lump sum?

*No. The member must choose to either convert all unused leave to service credit or take a one-time, lump sum payment for the leave. However, if conversion of all leave to service credit would cause the benefit to exceed 100% of the FAC, a partial lump sum payment will be made.*

### 2. If a member has rank and file service credit (RGL1) with a benefit accrual rate of 2.5% and corrections service credit (COR2) with an accrual rate of 3.33%, how will the unused leave be calculated?

*The unused leave would be pro-rated based on the service credit earned in each plan.*

### 3. Is there a limit on how much unused leave can be paid?

*No. However, the unused leave cannot cause the retirement benefit to exceed 100% of the FAC. In these cases, the remaining leave would be paid as a lump sum at an actuarial rate.*

### 4. Is K-time eligible for leave conversion?

*No. Compensatory leave or "K-time" is processed at the discretion of the agency. It is not eligible for leave conversion and is typically not reported to LASERS by agencies. However, since overtime earned by employees of the House, Senate, or an agency of the Legislature is deemed as eligible earned compensation, K-time wages may be contributed to LASERS, but are not eligible for leave conversion.*

### 5. How many combined hours of annual and sick leave must a member accrue in order for the unused leave to be converted to service credit or paid as a lump sum?

*Any fractional day of one-half or more will be granted as one day and any fractional day of less than one-half will be disregarded. Therefore, if a member works*

*a normal 8-hour schedule, then the member must have at least 4 hours of leave in order for leave to be paid as a lump sum or converted to service credit.*

### 6. If a member retires out of state service, then how many years of service must the member have earned to be eligible to be paid for his or her unused leave?

*The member will only receive credit for unused leave if he or she had at least 20 years of service or was eligible for regular retirement when the member terminated employment.*

### 7. If a member retires out of state service and is eligible to receive credit for unused leave, then how long does this right exist?

*There is no limit, but the leave amount must have been certified by the agency.*

### 8. When can a member expect to receive payment for unused leave?

*Unused leave is paid approximately 90 days after the date of the first benefit payment.*

### 9. If a member terminated employment and then made a purchase to become eligible for retirement, would the member be eligible to receive credit for unused leave?

*Because the member was not eligible for any retirement upon termination, the member would not be eligible to receive credit for unused leave unless he or she returned to work in a LASERS eligible position for at least 18 months prior to retiring.*

## Reference Material

### APPLICABLE FORMS

- [02-01A: Authorization for Direct Rollover](#)
- [07-01: Certification of Unused Annual and Sick Leave](#)

### APPLICABLE AGENCY LIAISON MEMORANDA

- [13-02: Leave Certification Form](#)
- [14-10: Suggestions on Leave Certification](#)
- [16-07: Use of Leave When Returning to State Service](#)
- [17-02: Payment of Leave for Certain Unclassified Officials](#)

### APPLICABLE LAWS & RULES

(Note: this list is not exhaustive)

- [La R.S. 11:424](#) Unused Leave
- [LAC 58.1.3701](#) Conversion of Leave to Retirement Credit
- [LAC 58.1.3703](#) Lump Sum Payment of Leave
- [LAC 58.1.3705](#) Tax Liability

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

- [Chapter 9: Unused Annual and Sick Leave](#)

### APPLICABLE LASERS VIDEO

- [Annual and Sick Leave: How it Affects You](#)

# Sample Form 7-01: Certification of Unused Annual and Sick Leave

Form 7-01  
R012017



P.O. Box 44213, Baton Rouge, LA 70804-4213  
225.922.0600 · Toll-Free 1.800.256.3000  
Fax 225.935.2856



PRINT ALL INFORMATION  
www.lasersonline.org

## Certification of Unused Annual and Sick Leave (La. R.S. 11:424)

| Member's First Name | Middle Name | Last Name | Today's Date | Social Security Number |
|---------------------|-------------|-----------|--------------|------------------------|
| Jane                | C           | Smith     | 1/15/2017    | xxx-xx-5555            |

**IMPORTANT:** Complete the entire form. Follow the specific instructions for each section. All dates should be in MM/DD/YYYY format.

### SECTION 1: GENERAL INSTRUCTIONS

Provide leave balances as of the termination date. **DO NOT** include any unused leave which will be paid upon termination, such as the 300 hours of unused annual leave. This form must be forwarded to LASERS immediately following the date of termination.

If the member has a break in service, the member must contribute to the system for at least 18 consecutive months after the reemployment date to be eligible to convert the unused sick and annual leave to retirement credit or lump sum payment.

### SECTION 2: LEAVE BALANCES

|  |                                     |                   |                |
|--|-------------------------------------|-------------------|----------------|
| Leave Without Pay Date (if applicable) | Unused Accumulated ANNUAL "A" leave | Hours<br>1712.454 | Days<br>214.06 |
| Date of Termination<br>1/2/2017        | Unused Accumulated SICK "B" leave   | Hours<br>3481.454 | Days<br>435.18 |

**DB** I certify that the amounts listed above do not include any amount of annual leave which was paid upon termination, if applicable.  
Initials

### SECTION 3: AGENCY SIGNATURE AND CERTIFICATION

I hereby certify that the balances of the unused leave shown above are correct as of the termination date and have been accrued at rates established by Civil Service.

|  |  |                                 |
|--|--|---------------------------------|
| Name of Personnel Officer<br>Donna Brooks                    | Name of Agency<br>LA State Agency              | Title<br>Human Resource Manager |
| Personnel Officer Email Address<br>dbrooks@lastateagency.gov | Daytime Area Code/Phone Number<br>225-555-5555 |                                 |
| Signature of Personnel Officer<br><i>Donna Brooks</i>        | Date<br>1/15/2017                              | Reset Form                      |



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## Content

### [Overview](#)

### [Re-employed Retirees](#)

### [The Enrollment Process](#)

- [Enrolling Retirees in Employer Self-Service](#)
- [Common Application Issues](#)

### [Re-employment Options](#)

- [Option 1A](#)
- [Option 1B](#)
- [Option 2](#)
- [Option 3A](#)
- [Option 3B](#)

### [Overpayments](#)

- [Option 1A](#)
- [Option 3](#)

### [COLAs for Re-employed Retirees](#)

### [Ending Employment for Re-employed Retirees](#)

- [Option 3A](#)
  - [Refund of Contributions](#)
  - [Supplemental](#)

## Quick Links

### [Sample Forms](#)

- [Form 10-02: Re-employment of Retiree](#)
- [Option 1A Earnings Verification](#)
- [Option 2 Invoice](#)

## Frequently Asked Questions

## Quick Reference: Re-employment Options

## Overview

This chapter outlines the steps to be taken when a retired member returns to work in active state service. A member who returns to active state service in a LASERS eligible position after retirement is considered a re-employed retiree. If a member retired regularly and returns to state service in a LASERS eligible position, he or she must select one of five re-employment options (for more information, refer to the *Re-employment Options* section in this chapter). If a member retired under Disability provisions, refer to [Chapter 13: Disability Retirement](#) for information on re-employment options for Disability retirees.

## Re-employed Retirees

It is the responsibility of the employing agency to determine if the retired member is subject to re-employed retiree restrictions. When hiring a retiree, the agency must first determine:

- ① If the retiree is a LASERS member  
and
- ② If the position is LASERS eligible

These rules **only** apply to retirees of LASERS who are re-employed in state service in a LASERS eligible position. They do not apply to retirees who are self-employed, employed in the private sector, LASERS Disability Retirees or employed in a public position that is not LASERS eligible.

### DETERMINING ELIGIBILITY

LASERS encourages the employer, as well as the retiree, to make sure that the retiree is eligible for rehire prior to his or her re-employment.

Any member who retired with at least 10 years of service and falls into one of the following classes of employees **is subject** to re-employed retiree provisions (this list is not exhaustive):

- ❖ Part-time
- ❖ Temporary
- ❖ Job Appointments
- ❖ Seasonal
- ❖ Work-As-Needed (WAE), except unclassified positions under the Department of Revenue
- ❖ Intermittent rehires

Elected officials who are eligible for membership in LASERS **are subject** to re-employed retiree provisions, *regardless of years of service.*

Classes of employees that **are not subject** to re-employed retiree provisions include, but are not limited to:

- ❖ Any president, vice president, dean, teacher, guidance counselor, or unclassified employee at any state college, university, vocational-technical school, institution, or special school under the control of the State Board of Secondary Education, or any educational institution supported by and under the control of the state or any parish school system
- ❖ Pool employees employed by any of the following agencies: Lallie Kemp Charity Hospital, LSU Medical Center in New Orleans, LSU Medical Center in Shreveport, or LSU Medical Center Health Care Services Division
- ❖ Employees paid per diem
- ❖ Unclassified, temporary seasonal positions with the Department of Revenue
- ❖ Contract Employees
- ❖ Employees with less than 10 years of service with LASERS who are hired to a part-time, temporary, job appointment, seasonal, WAE, or intermittent position

**NOTE:** *The re-employment restrictions do not apply to any member who retired prior to June 30, 2001, was re-employed prior to May 9, 2002, and has remained continually employed.*

Agencies having trouble determining if a new hire is considered a re-employed retiree should utilize tools such as LaGov and LASERS Employer Self-Service (ESS). In LaGov, generate reports PA20 and ZP13 to check if a new hire is a retiree. Non-LaGov agencies

can log into ESS to check if a new hire has ever contributed to LASERS and is currently in a retired status. Agencies are also encouraged to utilize "Ask LASERS" found at [www.lasersonline.org](http://www.lasersonline.org).

## The Enrollment Process

When a retired member is re-employed, the Human Resources Personnel Officer is required to submit [Form 10-02: Re-employment of Retiree](#) to LASERS **immediately**. This form must be submitted for any member who meets the criteria as a re-employed retiree, no matter which option he or she selects.

If the form is not received immediately following re-employment, the retiree will be re-employed under the provisions of Re-employed Retiree **Option 3A** (see the section *Re-employment Options* in this chapter) **and the following will occur:**

- ❖ The member will have to pay back any benefits received after the rehire date.
- ❖ The member will have to pay a lump sum of employee contributions due under Option 3A, retroactive to the date of rehire.
- ❖ The agency will have to pay a lump sum of employer contributions due under Option 3A, retroactive to the date of rehire.

If the form is not received and the retiree selected Option 1A, then the form must be accompanied by an Administrative Error letter.

**NOTE:** *If an agency employs a retiree who retired with a reciprocal recognition from another state, municipal, or parochial system, the retiree must notify all the systems from which he or she is receiving benefits in order to avoid overpayments.*

## ENROLLING RETIREES IN EMPLOYER SELF-SERVICE (ESS)

Once [Form 10-02: Re-employment of Retiree](#) is submitted to LASERS, retirees who selected Re-employment Options 2 and 3A must also be enrolled through ESS. For more information on enrolling members via ESS, refer to [Chapter 1: Membership & Enrollment](#).

## COMMON APPLICATION ISSUES

There are several common issues that are overlooked during the re-employment process that can result in application and administrative errors.

- ❖ Vital information regarding the retiree's employment is inadvertently excluded from the application, such as the rehire date, employment status of part-time or full-time, and if the member is classified or unclassified.
- ❖ A re-employment option is **not** selected.
- ❖ The agency did **not** certify the application.
- ❖ The agency did **not** submit the application immediately following re-employment.

To avoid these issues, please review each application thoroughly and ensure it is received at LASERS upon re-employment.

## Re-employment Options

At the time of re-employment, retirees must choose one of five re-employment options. When making a decision on an option, it is important that retirees consider their estimated earnings, the type of position and the length of their re-employment. Once an option is selected, it is irrevocable and is effective for the full term of the re-employment period.

### RE-EMPLOYED RETIREE OPTION 1A

Retirees selecting Re-employed Retiree Option 1A elect to limit earnings in any fiscal year to 50 percent of their annual retirement benefit. When a retiree is enrolled in Option 1A, LASERS will mail a letter to the agency and retiree that states his or her estimated allowable earnings for the fiscal year.

At the end of each fiscal year, the agency will report the retiree's actual earnings to LASERS. **Retirees are responsible for monitoring their earnings limitation.** They should only consider this option if their anticipated earnings for the fiscal year **will not** exceed the earnings limit.

While re-employed under Re-employed Retiree Option 1A, the retiree will continue to receive a monthly benefit from LASERS and no contributions will be paid to LASERS. Agencies should not enroll Option 1A members through ESS.

### Calculating and Reporting Earnings Limitations

The earnings limit is calculated by adjusting the retiree's annual (monthly times 12) retirement benefit based on inflation according to the United States Department of Labor's Consumer Price Index–Urban (CPI-U) and dividing that number by two.

In June of each year, agencies will receive a request from LASERS to verify the retiree's actual earnings from the previous fiscal year. This verification helps LASERS determine:

- ❖ If a retiree has over earned from the previous fiscal year
- ❖ If a retiree has terminated state service

The earnings reported to LASERS should be what the retiree **actually earned** during the fiscal year, not necessarily what was paid to the retiree. For example, during the 2014-2015 fiscal year (July 1, 2014 – June 30, 2015) a retiree earned \$38,988 (\$2,999 biweekly). For a biweekly-paid retiree, the last pay period earned in June is paid to the retiree in July. However, since the pay period earnings (\$2,999) were earned in June, they should be included in the annual 2014-2015 fiscal year report.

**Example:** Mary retired in 2010 and receives a monthly retirement benefit of \$4,500 (\$54,000 annually). She is currently re-employed under Option 1A, so her earnings limit for the 2014-2015 fiscal year (July 1, 2014 - June 30, 2015) is calculated as follows:

$$\begin{array}{l} \text{Annual Retirement} \\ \text{Earnings Limit} \end{array} \times \begin{array}{l} \text{Current Fiscal Yr CPI-U/} \\ \text{Retirement Yr CPI-U} \end{array} \div 2 = \text{Fiscal Year Earnings Limit}$$

$$\$54,000 \times \frac{236.736 \text{ (2014 CPI-U)}}{184.00 \text{ (2010 CPI-U)}} \div 2 = \mathbf{\$34,830}$$

**Mary's earnings limit for the 2014-2015 fiscal year is \$34,830.** Her total earnings cannot exceed the limit for fiscal year 2014-2015. If she earned \$36,053 during the fiscal year, then she would owe \$1,223 (\$36,053 - \$34,830) to LASERS.

The earnings verification must be returned to LASERS by the last day of August. Based on the earnings reported by the agency, a calculation is done to determine if the retiree has over earned. If the actual earnings exceed the limit, then the retiree will owe LASERS the amount of the excess earnings. This money will be recouped through an overpayment process (refer to the *Overpayments* section in this chapter).

Each fiscal year, a retiree may have a different earnings limit based on the CPI-U for the new fiscal year and any changes in the retiree's benefit. In August and September of each fiscal year, letters are mailed to the retiree and agency stating the retiree's estimated allowable earnings for the new fiscal year.

### RE-EMPLOYED RETIREE OPTION 1B

A retiree may select Re-employed Retiree Option 1B if he or she retired with at least 30 years of service credit for eligibility purposes and is at least 70 years of age. Unused leave cannot be used to meet retirement

eligibility; therefore, if a retiree converted unused leave at the time of retirement, it does not count toward the 30-year service credit requirement.

Under this option, the retiree will be exempt from any suspension or reduction in benefits. The retiree may receive a full retirement benefit and a full salary without any limitations. Agencies should not enroll Option 1B members through ESS.

### RE-EMPLOYED RETIREE OPTION 2

Retirees who select Re-employed Retiree Option 2 may regain membership in LASERS by repaying all retirement benefits received plus interest at the LASERS actuarial rate. Once this option is selected, LASERS will mail an invoice to the retiree stating the total amount owed. Retirees will have 90 days to pay the total amount of the invoice. Neither employee nor employer contributions should be submitted until LASERS has received full payment. Since no contributions are being submitted during this waiting period, no service credit will be earned. Furthermore, the retiree's monthly benefit will be suspended until the invoice is paid in full.

Once the invoice is paid in full, all of the retiree's service credit will be restored as if he or she never retired. The retiree will become an *active member of LASERS retroactive to the date of rehire*. Employee and employer contributions, as well as interest, will be owed retroactive to the date of rehire. Agencies are required to enroll Option 2 retirees through ESS.

**NOTE:** *Option 2 is not available to retirees who participate in the Deferred Retirement Option Plan (DROP) or chose the Initial Benefit Option (IBO). Retirees who chose a Regular Retirement with an Actuarially Reduced Benefit are eligible to select this option.*

**RE-EMPLOYED RETIREE OPTION 3A**

Retirees selecting Re-employed Retiree Option 3A may suspend their retirement benefits effective on the re-employment date and become contributing members of LASERS based on their current re-employment. Under Re-employed Retiree Option 3A, there are no earnings limits. Likewise, employee and employer contributions must be paid and agencies are required

to enroll Option 3A retirees through ESS.

Upon subsequent retirement, the suspended retirement benefit will resume on the day following termination. Based on the time re-employed, the retiree will be eligible for a refund or a supplemental benefit (refer to the section *Ending Employment for Option 3A* in this chapter).

*Quick Reference: Re-Employment Options*

|           |   |
|-----------|---|
| Option 1A | <ul style="list-style-type: none"> <li>→ Retirement benefit is not suspended</li> <li>→ Employee and employer contributions are not paid to LASERS</li> <li>→ Retiree does not earn service credit</li> <li>→ Retiree elects to limit earnings in any fiscal year to 50% of annual retirement benefit</li> <li>→ Agency must report annual earnings to determine if retiree is within earnings limit</li> </ul>   |
| Option 1B | <ul style="list-style-type: none"> <li>→ Retiree must be age 70 with 30 years of service</li> <li>→ Retiree is exempt from suspension of retirement benefit</li> <li>→ Retiree does not pay contributions, nor does he or she earn service credit</li> <li>→ No earnings limit</li> </ul>   |
| Option 2  | <ul style="list-style-type: none"> <li>→ Retiree regains membership to LASERS</li> <li>→ Retiree is responsible for repaying all benefits received plus interest at actuarial rate</li> <li>→ Retired member is restored to active service</li> </ul>   |
| Option 3A | <ul style="list-style-type: none"> <li>→ Retirement benefit is suspended for duration of re-employment</li> <li>→ Employee and employer contributions are paid to LASERS</li> <li>→ Retiree earns service credit for duration of re-employment</li> <li>→ At termination, retiree’s benefit resumes</li> <li>→ Retiree is eligible for refund of contributions if worked less than three years or supplemental benefit if worked more than three years</li> </ul> |
| Option 3B | <ul style="list-style-type: none"> <li>→ Retiree must have 25 years of service credit and be retired for one year</li> <li>→ Retiree must be appointed by the Governor to an unclassified position</li> <li>→ Retiree is exempt from suspension of retirement benefit</li> <li>→ Retiree does not pay contributions, nor does he or she earn service credit</li> <li>→ No supplemental benefit is calculated</li> </ul>   |

If a retiree should die during this period of re-employment, then the benefit will be paid to the named beneficiary based on the option selected at original retirement. Re-employed retirees cannot purchase prior service credit or participate in DROP.



*Retired members who have a DROP or IBO account with LASERS are able to make withdrawals from this account while working as a Re-employed Retiree Option 3A.*

### RE-EMPLOYED RETIREE OPTION 3B

A retiree may select Re-employed Retiree Option 3B if he or she is appointed by the Governor to an unclassified position. The retiree must have retired with at least 25 years of service credit and have been retired at least one year. Unused leave cannot be used to meet retirement eligibility; therefore, if a retiree converted unused leave at the time of retirement, it does not count toward the 25-year service credit requirement.

Under Re-employed Retiree Option 3B, the retiree will be exempt from any suspension of benefits. The retiree may receive a full retirement benefit and a full salary without any limitations. No contributions will be paid to LASERS. While re-employed, the retiree will not earn service credit, nor will he or she be eligible for a supplemental benefit at the time of termination. Once this option is selected, the agency must certify the retiree's appointment by the Governor to the unclassified position.

## Overpayments

Re-employed retirees may occasionally receive an overpayment of benefits.

### OPTION 1A OVERPAYMENTS

A re-employed retiree who chooses Option 1A could potentially have an overpayment of benefits if the retiree's actual salary exceeded his or her earnings

limit for the fiscal year. In this situation, the retiree will be invoiced for the overpayment of benefits. The retiree has 30 days to pay the invoice. If the invoice is not paid within 30 days, a percentage of the retiree's overpayment will be deducted from the monthly benefit until the overpayment has been recouped.

### OPTION 3A OVERPAYMENTS

A re-employed retiree who chooses Option 3A could potentially receive an overpayment of benefits if his or her paperwork is not submitted in a timely manner. For example, a retiree returns to work on January 15th but the paperwork is not submitted to LASERS until February 15th. At this point, the retiree would have an overpayment of benefits because he or she received payment for February that should not have been paid.

Since the retiree's benefit is suspended, the overpayment cannot be recouped from his or her monthly benefit. In this situation, the retiree is invoiced and has 30 days to pay the invoice in full. The retiree can contact LASERS to make payment arrangements. If the retiree does not comply within 90 days, the overpayment will be turned over to collections.

## Cost-of-Living Adjustments (COLAs) for Re-employed Retirees

While re-employed, retirees who selected Options 1A and 1B are eligible to receive a system generated COLA if one is granted and they are otherwise eligible. Retirees who have been re-employed under Option 3A will not receive a system generated COLA if their monthly retirement benefit is suspended at the time the COLA is granted. If a COLA is granted in the year that a re-employed retiree under Option 3A terminates, he or she must have been receiving a benefit for a total of one year and have terminated employment no later than June 30 of that year to be eligible for the COLA.

## Ending Employment For Re-employed Retirees

When a re-employed retiree is ready to end employment, the agency's Human Resources Office should supply the retiree with one of following applications:

- ❖ [Form 10-02B: Re-employed Retiree Option 3A Certification at End of Employment](#) – to be completed when an Option 3A re-employed retiree terminates employment.
- ❖ [Form 10-02C: Re-employed Retiree Option 1A or 1B Certification at End of Employment](#) – to be completed when an Option 1A or 1B re-employed retiree terminates employment.

Upon completion of the appropriate application, the retiree 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 and submit it to LASERS. All applications must be certified by the agency; uncertified applications will not be accepted. Faxed copies are acceptable.

**NOTE:** Retirement benefits of re-employed retirees do not automatically resume. Upon termination, the applicable form is required in order to facilitate the reinstatement of the retiree's benefit.

### ENDING EMPLOYMENT FOR OPTION 3A

When Option 3A Re-employed Retirees terminate re-employment, they will be eligible for one of the following:

- Retirees who worked *less than three years* will be eligible for a refund of employee contributions
- OR -
- Retirees who worked *three years or more* will be eligible for a supplemental benefit

This selection should be made on the [Form 10-02B: Re-employed Retiree Option 3A Certification at End of Employment](#). When their end of employment certification has been received by LASERS, they will be eligible to receive benefits the day after the termination date. Depending upon the date that the end of employment certification is received, benefits will be paid retroactively to the day after the termination date.

### Refund of Contributions

If an Option 3A Re-employed Retiree works less than three years, the retiree will be eligible for a refund of the employee contributions that were submitted to LASERS during the re-employment period. In order to receive a refund, he or she must submit [Form 02-01: Refund of Accumulated Contributions](#) along with [Form 10-02B: Re-employed Retiree Option 3 Certification at End of Employment](#).

Most refunds are issued to retirees approximately 90 days from the date that all necessary documents are received by LASERS. For more information regarding [Form 02-01: Refund of Accumulated Contributions](#), reference [Chapter 4: Refunds of Contributions](#).

### Supplemental Benefit

Option 3A Re-employed Retirees who work three years or more are eligible for a supplemental benefit. The supplemental benefit is calculated based on the additional years of service credit earned while re-employed, plus any unused leave. These retirees will receive the supplemental benefit in addition to their current monthly benefit.

For retirees who originally retired with a regular retirement with an actuarially reduced benefit, the reduction of their supplemental benefit depends on their current eligibility for regular retirement. If the re-employed retiree *has reached regular retirement eligibility* at the time of the re-employment retirement date, the supplemental benefit **will not** be reduced. If he or she *has not reached regular retirement eligibility* at the time of the re-employment retirement date, the supplemental benefit **will** be reduced.

**NOTE:** *Re-employed retirees who work less than three years are not eligible to receive a supplemental benefit for additional years of service or unused leave.*

### Final Average Compensation (FAC)

The calculation of the retiree's supplemental benefit for the re-employed time period depends on the retiree's final average compensation (FAC) period at the original retirement.

- If a retiree had a **36-month final average compensation** at retirement, the supplemental benefit will be based on a 36-month FAC for time worked while re-employed.
- If a retiree had a **60-month final average compensation** at retirement, the supplemental benefit will be based on a 60-month FAC for time worked while re-employed. If an Option 3 Re-employed Retiree does not have 60 successive months of employment during the re-employed time period, the FAC will be calculated using all months of re-employment plus any months preceding retirement in order to reach 60 months.

### Leave Selection

If an Option 3A Re-employed Retiree is eligible to receive a supplemental benefit, he or she will make a leave selection as indicated on [Form 10-02B: Re-employed Retiree Option 3 Certification at End of Employment](#). A retiree can choose from the same leave options that are available under regular retirement. The options listed on the application are:

- ① Convert all unused annual and sick leave to retirement credit
- ② Receive a one-time, lump sum payment of leave calculated at an actuarial value
- ③ Make a direct rollover to an eligible account at a financial institution

The agency should submit [Form 07-01: Certification of Unused Annual and Sick Leave](#) to LASERS no more than 30 days after the retiree's re-employment retirement date. For more information on choosing a leave option and how leave is calculated, reference [Chapter 14: Conversion of Unused Annual & Sick Leave](#). If a retiree selects a direct rollover, then [Form 02-01A: Authorization for Direct Rollover](#) must be submitted along with the end-of-employment application.

### Supplemental Benefit Exceeding 100% of Final Average Compensation

Once a retiree reaches 100% of his or her final average compensation (FAC) while re-employed, no further employee contributions are required. However, employer contributions would continue. The retiree will still continue to accrue service credit toward his or her supplemental benefit during re-employment.

At subsequent retirement, the retiree's supplemental benefit will be calculated the same way it would have been calculated if the member had never stopped contributing. However, the retiree's total benefit (supplemental benefit + retirement benefit) cannot exceed the higher of the two FACs.

### Calculating a Supplemental Benefit

**Example:** When JoAnn retired with 30 years of service, she had a 36-month FAC of \$40,000 and chose the Maximum Option. Her monthly retirement benefit was \$2,500.

She was re-employed and selected re-employment Option 3. JoAnn worked for 5.20 years after retiring. Because she worked greater than 3 years, she earned a new FAC of \$50,000. She had 1.00 years of unused leave. Her supplemental benefit was calculated as follows:

| <b>Re-employment Supplemental Benefit</b>       |  |
|---|--|
| Supplemental FAC                                | \$50,000                                   |
| x   | x  |
| Accrual Rate                                    | 2.5%                                       |
| x   | x  |
| Years of Service                                | 5.20                                       |
| =   | =  |
| <b>Supplemental Benefit</b>                     | <b>\$6,500 per year (\$541.67 monthly)</b> |
| <b>Unused Leave Converted to Service Credit</b> |  |
| Supplemental FAC                                | \$50,000                                   |
| x   | x  |
| Accrual Rate                                    | 2.5%                                       |
| x   | x  |
| Years of Service                                | 1.00                                       |
| =   | =  |
| <b>Leave Conversion</b>                         | <b>\$1,250 per year (\$104.17 monthly)</b> |

JoAnn's total supplemental benefit is **\$645.84** (supplemental benefit + leave conversion).

Her monthly retirement benefit is calculated by adding her retirement benefit and her supplemental benefit: \$2,500 + \$645.84 = \$3,145.84. Therefore, she will receive **\$3,145.84** per month until her death.

### Frequently Asked Questions

**1. How much can a re-employed retiree under Option 1A earn?**

*A re-employed retiree under Option 1A is allowed to earn up to 50% of his or her annual retirement benefit adjusted for inflation.*

**2. Can a re-employed retiree change from Option 1A to Option 3A?**

*The option selected at the time of re-employment is for the duration of the employment. A re-employed retiree must terminate under the initial option and then be rehired in order to select another option.*

**3. Can a retiree select a different retirement option for his or her supplemental benefit than he or she chose for the original benefit?**

*No. A change in retirement option is not permitted.*

**4. Can a re-employed retiree select a different retirement beneficiary for his or her supplemental benefit?**

*No. The member cannot select a different beneficiary for his or her supplemental benefit if the member has chosen a lifetime annuity benefit for the retirement beneficiary.*

*If the member initially chose the Maximum Option or Option 1, then the member may change the retirement beneficiary(ies) at any time. This change will be effective for the retirement benefit plus any supplemental benefit earned while re-employed.*

**5. Can a rank-and-file re-employed retiree receive a refund of employee contributions if the retiree worked more than three years?**

*No. The retiree must work less than three years in order to receive a refund of employee contributions.*

## Reference Material

### APPLICABLE FORMS

- [02-01: Refund of Accumulated Contributions](#)
- [02-01A: Authorization for Direct Rollover](#)
- [07-01: Certification of Unused Annual and Sick Leave](#)
- [10-02: Re-employment of Retiree](#)
- [10-02B: Re-employed Retiree Option 3A Certification at End of Employment](#)
- [10-02C: Re-employed Retiree Option 1A or 1B Certification at End of Employment](#)

### APPLICABLE AGENCY LIAISON MEMORANDA

- [12-21: Procedures When Hiring Re-employed Retirees](#)
- [13-23: Rehired Retirees](#)

### APPLICABLE LAWS & RULES

(Note: this list is not exhaustive)

- [La. R.S. 11:149](#) Re-employment of Retirees
- [La. R.S. 11:416](#) Employment of Retirees
- [La. R.S. 11:416.1](#) Reemployment of Retirees Under Act 455 of the 2001 Regular Session
- [LAC 58:l.3701](#) Conversion of Unused Leave to Service Credit
- [Act 165 of 2002](#) Re-employed Retirees
- [Act 455 of 2001](#) Re-employed Retirees Option 4

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

- [Chapter 19: Re-employed Retirees](#)

# Sample Form 10-02: Re-employment of Retiree

Form 10-2  
R022015

PRINT ALL INFORMATION  
www.lasersonline.org

**LASERS**  
Louisiana State Employees  
Retirement System  
P.O. Box 44213, Baton Rouge, LA 70804-4213  
225-922-0600 · Toll-Free 1-800-256-3000



**Re-employment of Retiree**

| Member's First Name | Middle Name | Last Name | Today's Date | Social Security Number |
|---------------------|-------------|-----------|--------------|------------------------|
| Jane                | C.          | Smith     | 3/31/2016    | xxx-xx-5555            |

IMPORTANT: Complete the entire form. Follow the specific instructions for each section. All dates should be in MM/DD/YYYY format.

**SECTION 1: RETIREE INFORMATION**

INSTRUCTIONS: In accordance with La. R.S. 11:416, this form must be completed and returned to LASERS within 45 days of your re-employment. It is your responsibility to determine the appropriate re-employment option based on the type of position and estimated earnings for your period of employment. Upon termination, depending on the option chosen, Form 10-02B Re-employed Retiree Option 3 Certification at End of Employment, or Form 10-02C Re-employed Retiree Option 1A or 1B Certification at End of Employment must be completed and returned to LASERS.

| Member's Mailing Address | City        | State | Zip Code |
|--------------------------|-------------|-------|----------|
| 123 XYZ Street           | Baton Rouge | LA    | 70808    |

| Daytime Area Code/Phone Number | Evening Area Code/Phone Number | Email Address               | Birth Date |
|--------------------------------|--------------------------------|-----------------------------|------------|
| (225) 555-5555                 | (225) 555-5555                 | janesmith@lastateagency.gov | 09/01/1966 |

| Rehired Date | Position Title |
|--------------|----------------|
| 04/01/2016   | Admin Assist   |

Employment Status:  Full Time  Part Time

Classified  Unclassified

Are you receiving a benefit from LASERS or another state or statewide retirement system?  Yes  No

If you answered "Yes" to the question above, list the name of the system from which you are receiving benefits:  
LASERS

| Social Security Number |
|------------------------|
| xxx-xx-5555            |

10-2 R022014

CONTINUE ON NEXT PAGE

ERBER

Page 1

**SECTION 2: SELECTION OF RE-EMPLOYMENT OPTION**

I elect the following option during the period of my re-employment after retirement. I will notify LASERS immediately if any condition of my re-employment changes. I understand that this option is irrevocable for the full period of my re-employment.

- OPTION 1A: I elect to limit my earnings during each fiscal year to 50% of my annual retirement benefit (as adjusted by the Consumer Price Index). I may contact LASERS to request a calculation of the earnings limit for each fiscal year. I understand that the estimated earnings must be reported to LASERS at the beginning of the fiscal year and the actual earnings must be reported at the end of each fiscal year. It is my responsibility to monitor the actual earnings during the fiscal year to ensure that the earnings limit is not exceeded. I understand that if my earnings do exceed my earnings limit, my future retirement benefit will be reduced to the amount the earnings exceeded the limit. You should consider another option if your estimated earnings are expected to exceed the earnings limit.
- OPTION 1B: I certify that I am at least 70 years of age and retired with at least 30 years of service credit (exclusive of converted leave) and I am exempt from any suspension or reduction of benefits.
- OPTION 2: I elect to repay all retirement benefits received since the date of my retirement plus interest at the actuarial rate. This will restore my service credit, and I will return to active member status. (This option is not available to any retiree who participated in DROP, elected to retire with an Initial Benefit Option (IBO), or retired under an early retirement provision. The 20 years at any age actuarially reduced retirement is not an early retirement.)
- OPTION 3: I elect to suspend my benefits during the period of my re-employment. Employee and employer contributions must be paid on the amount of my earnings and there is no limit on the amount of my earnings. If I work at least 36 months, a supplemental retirement benefit will be calculated based on this period of service and the average compensation. If I work less than 36 months, I will receive a refund of my contributions, without interest. When I subsequently retire, my suspended benefit will be restored.

**SECTION 3: MEMBER SIGNATURE**

I hereby certify that the employment information stated above is correct to the best of my knowledge. If I select Option 1A, I understand that it is my responsibility to monitor my earnings to ensure that I do not exceed the limitation. I understand that this choice is irrevocable for the full term of my re-employment.

| Member's Signature | Date       |
|--------------------|------------|
| Jane C Smith       | 03/31/2016 |

**SECTION 4: AGENCY SIGNATURE AND CERTIFICATION**

| Name of Personnel Officer | Title                  |
|---------------------------|------------------------|
| Donna Brooks              | Human Resource Manager |

| Name of Agency  | LASERS Agency Number |
|-----------------|----------------------|
| LA State Agency | 0000                 |

| Mailing Address        | City        | State | Zip Code |
|------------------------|-------------|-------|----------|
| 8401 United Plaza Blvd | Baton Rouge | LA    | 70809    |

| Signature of Personnel Officer | Date       | Daytime Area Code/Phone Number |
|--------------------------------|------------|--------------------------------|
| Donna Brooks                   | 03/31/2016 | (225) 555-5555                 |

EARNINGS REPORTING: This employee's earnings will be reported as:  9 months  10 months  12 months

Page 2

10-2 R022014

RETAIN A COPY FOR YOUR RECORDS

ERBER37 Page 2 of 2

## Sample Option 1A Earnings Verification



8401 United Plaza Blvd., Baton Rouge, LA 70809 | Mail: P.O. Box 44213, Baton Rouge, LA 70804-4213  
 Toll-free 1.800.256.3000 | Local 225.922.0600 | www.lasersonline.org

July 7, 2016

LA STATE AGENCY  
 DONNA BROOKS  
 8401 UNITED PLAZA BLVD  
 BATON ROUGE, LA 70809

Re: JOHN SMITH  
 SSN: XXX-XX-5678

Dear Donna Brooks,

You must certify the 2015-2016 fiscal year earnings for the above named Option 1A rehired retiree. Please complete the section below and return this form to our office by August 31, 2016.

\$29,559.32  
**Amount Earned**

\_\_\_\_\_  
**Termination Date (if applicable)**

Donna Brooks  
**Agency Liaison Name (PRINT)**

Donna Brooks  
**Agency Liaison Name (SIGNATURE)**

8/24/16  
**Date**

- Only include the amount that the member earned as a rehired retiree (do not include earnings from before the member retired).
- Include all earnings paid to the employee including overtime, optional pay, allowances, etc.
- Please include all money earned, not paid, during the fiscal year (earnings for all days worked between July 1, 2015 and June 30, 2016).
- Only supply the termination date if the employee is no longer employed.

If you have any questions, please call LASERS at 225.922.0600 or, if outside the Baton Rouge area, call 1.800.256.3000.

Sincerely,  
 Fiscal Division

**BOARD OF TRUSTEES:**

Judge William Kleinpeter, Board Chair  
 Janice Larsing, Vice Chair  
 Thomas Bickham  
 Virginia Burton  
 Commissioner Jay Dardemne

Beverly Hodges  
 Hon. John Kennedy  
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 Rep. Kevin Pearson

Lori Pierce  
 Kathy Singleton  
 Shannon Templet  
 Lorry Simmons Trotter

Cindy Rougeon, Executive Director



## Sample Option 2 Invoice



**Louisiana State Employees' Retirement System**

8401 United Plaza Blvd. • Baton Rouge, LA 70809

Web: [www.lasersonline.org](http://www.lasersonline.org)

Mail: P.O. Box 44213 • Baton Rouge, LA 70804-4213

Phone: (toll-free) 1.800.256.3000 • (local) 225.922.0600

03/31/2016

XXX-XX-5555

Mary Smith  
PO Box 1234  
Baton Rouge, LA 70817

Dear Mary Smith,

We received your Reemployment of Retiree form stating that you returned to work on 03/15/2016. Since you chose Option 2, your monthly benefit will be suspended beginning with the 04/01/2016 check. All retirement benefits that you have received thus far, plus interest at the actuarial rate, must be repaid to complete your request for Option 2. You will have 90 days to pay the total amount due. Please be aware that neither employee nor employer contributions should be submitted until LASERS has received your payment. Because of this, you will not earn service credit during this waiting period.

|                                 |             |             |             |
|---------------------------------|-------------|-------------|-------------|
| <b>Total Benefits Received:</b> | \$33,798.06 |             |             |
| <b>Actuarial Interest:</b>      | \$2,090.13  |             |             |
| <b>Total Amount Due:</b>        | \$35,888.19 | \$36,100.55 | \$36,337.13 |
| <b>Date Due By:</b>             | 04/13/2016  | 05/13/2016  | 06/12/2016  |

If you decide to repay the total amount due, you will return to active status and all LASERS service credit will be restored. Once you return to active status, you will become a contributing member of the system and employee and employer contributions will once again be paid into LASERS through your employer.

If you decide not to pay the total amount due, in accordance with R.S. 11:416 the option selection is irrevocable until you terminate service. Because of this irrevocability you must terminate service and be rehired in order to change options. If you choose Option 1, your retirement benefit will continue; however, your earnings must not exceed 50% of your annual retirement benefit for each fiscal year. If you choose Option 3, your retirement benefit will be suspended and you will become a contributing member of LASERS. If you work at least 36 months under Option 3, a supplemental benefit will be added to your retirement check upon termination. If you work less than 36 months under Option 3, a refund of contributions will be issued upon termination. If you select Option 2 again, you will only have 30 days in which to pay the cost, else our legal department will become involved.

If you have any questions, please call LASERS at 225.922.0600 or, if outside the Baton Rouge area, 800.256.3000.

Sincerely,

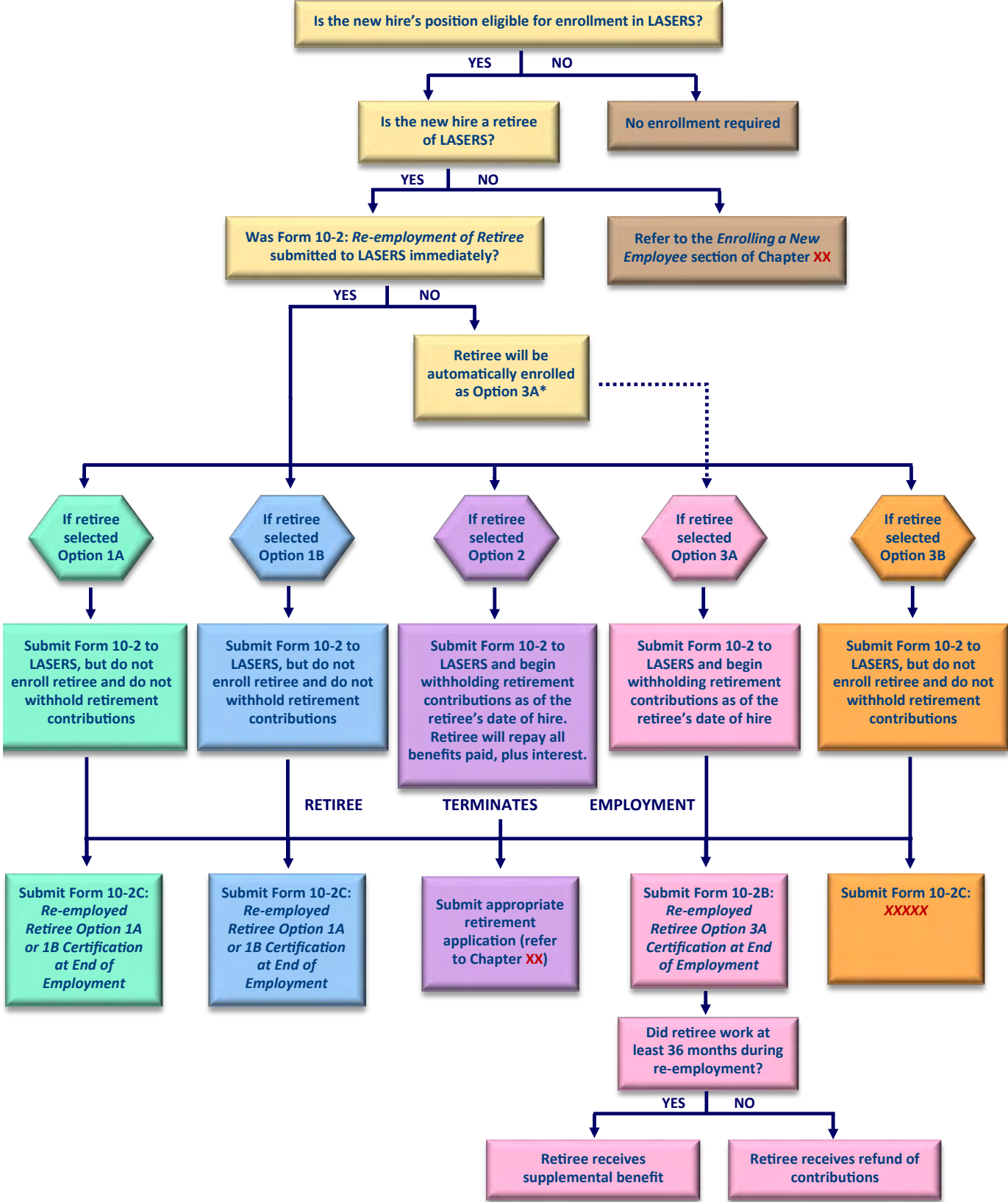
Fiscal Division

Cc: LA State Agency

|                           |                                       |                     |                       |                                   |
|---------------------------|---------------------------------------|---------------------|-----------------------|-----------------------------------|
| <b>Board of Trustees:</b> | Judge William Kleinpeter, Board Chair | Beverly Hodges      | Lori Pierce           | Cindy Rougeou, Executive Director |
|                           | Janice Lansing, Vice Chair            | Hon. John Kennedy   | Kathy Singleton       |                                   |
|                           | Thomas Bickham                        | Sen. Barrow Peacock | Shannon Templet       |                                   |
|                           | Virginia Burton                       | Rep. Kevin Pearson  | Lorry Simmons Trotter |                                   |
|                           | Commissioner Jay Dardenne             |                     |                       |                                   |

**LASERS** Benefits Louisiana.

# Re-employed Retirees



\* If an enrollment error occurred, submit an Admin Error letter to LASERS along with Form 10-2 (refer to *The Enrollment Process* section of this chapter)

# Chapter 16: Community Property & Divorce

## Content

[Overview](#)

[Community Property and Divorce](#)

[Prenuptial Agreements](#)

[Remarriage](#)

[Spousal Consent](#)

[Spousal Abandonment](#)

[Common Law Marriages](#)

[Assignment or Garnishment of Pension](#)

[Requesting the Return of Legal Documents](#)

## Quick Links

[Form 04-04: Spousal Consent](#)

[Legal: Married Members with Separate Property Agreements](#)

[MSD50: Request for Return of Legal Documents Submitted to LASERS](#)

## Frequently Asked Questions

## Overview

This chapter discusses some of the legal documents a member may need to submit during the retirement process. All legal documents submitted to LASERS must be certified copies. If members have questions regarding documentation, please advise them to contact the LASERS Legal Department.

## Community Property and Divorce

Louisiana is a community property state. All property and debts acquired during marriage are typically split equally, unless the spouses have a legally binding agreement or are subject to a court ruling to the contrary. Retirement benefits, including DROP or IBO funds received or accumulated during marriage, are considered community property. Any contributions made during marriage will also be viewed as community property by a Louisiana court and may be subject to division. Members should be aware that a former spouse could be entitled to a portion of their retirement benefit according to that spouse's community property interest.

**NOTE:** *State law requires that a legally acceptable court order be on file before any community property assets are divided. This court order will dictate how retirement benefits will be divided between the member and the former spouse. If such an order is not presented to LASERS, then the retiree, not LASERS, will be held responsible for any payment of funds due a former spouse. Sample court orders that meet the requirements of the laws governing LASERS are available upon request.*

## Prenuptial Agreements

State law allows spouses to elect to continue under the separate property regime they had as unmarried persons under limited circumstances. If the member has a marriage contract, marital agreement, or other prenuptial agreement, then the member must provide a certified copy of the document to LASERS. The member must also provide a notarized affidavit, [Married Members with Separate Property Agreements](#), affirming the continuing existence of this agreement. The affidavit should be submitted to LASERS no sooner than 90 days prior to the member's date of retirement.

## Remarriage

Members who have been married multiple times may have their retirement benefits divided among multiple former spouses. Please refer to the *Community Property and Divorce* section of this chapter.

## Spousal Consent

Spousal consent will be required upon retirement or entry into DROP if any of the following situations apply:

- A member selects a retirement option which does not provide a monthly benefit to his or her spouse of at least 50 percent of the benefit
- A member names a retirement beneficiary other than his or her spouse
- A member does not name his or her spouse as a beneficiary for at least 50 percent of the DROP or IBO account

In any of the above situations, [Form 04-04: Spousal Consent](#) must be signed by the member's spouse in the presence of a Notary Public, notarized, and a certified copy must be submitted to LASERS.

Spousal Consent is **not** required when:

- An agreement or court judgment to maintain separate property exists
- A Judgment of Divorce has been granted
- An interdiction or court order appointing a guardian or curator for the spouse exists (in which case the guardian or curator must give consent)
- The member was abandoned by the spouse

## Spousal Abandonment

If a member who has been abandoned by his or her spouse is making a selection in which spousal consent is normally required, then in lieu of [Form 04-04: Spousal Consent](#), the member must submit a certified copy of a court order to LASERS declaring that his or her spouse is an absentee or has abandoned the member. If the member has not obtained a court order, then a combination of the following documents may be accepted instead:

- A notarized affidavit attesting to the fact that the member has been abandoned and has taken steps to locate the spouse (the methods used to locate the spouse should be detailed in the affidavit)
- A certificate from a local newspaper certifying that a legal notice has been run for three days requesting information on the whereabouts of the spouse

## Common Law Marriages

Louisiana does not recognize common law marriages. A member is not required to divide benefits unless he or she was legally married.

## Assignment or Garnishment of Pension

Retirement benefits or refunds of accumulated contributions paid to a LASERS member, former member, or retiree are generally exempt from garnishment or court-ordered assignment except in the case of a felony conviction, to pay child support, or to satisfy a court-ordered community property division ordering child support.

## Requesting the Return of Legal Documents

Members may request the return of any legal document(s) by submitting [Form MSD50: Request for Return of Legal Documents Submitted to LASERS](#). The form should be completed in its entirety and the member must indicate the date on which the document(s) were submitted to LASERS. Only the individual who submitted a legal document may request its return. LASERS retains physical copies of member records for 90 days, per the LASERS Records Retention Policy, and cannot guarantee return of documents beyond that time period.



**Members may request the return of legal documents by submitting [Form MSD50: Request for Return of Legal Documents Submitted to LASERS](#).**

## Frequently Asked Questions

### 1. Does a member need to have each former spouse sign [Form 04-04: Spousal Consent](#)?

*No. Only a member's current spouse needs to give spousal consent if applicable.*

### 2. What happens if a member does not list his or her spouse as beneficiary and/or does not select an option that leaves his or her spouse at least 50 percent of his or her benefit and the spouse is unwilling to give consent?

*The member's retirement option will be changed to Option 3 and the member's spouse will be designated as the beneficiary.*

## Reference Material

### APPLICABLE FORMS

- [04-04: Spousal Consent](#)
- [Legal: Married Members with Separate Property Agreements](#)
- [MSD50: Request for Return of Legal Documents Submitted to LASERS](#)

### APPLICABLE LAWS & RULES

(Note: this list is not exhaustive)

- [La. R.S. 11:291](#) Community Property
- [La. R.S. 11:292](#) Child Support
- [La. R.S. 11:405](#) Garnishments
- [LAC 58.1.2901](#) Spousal Consent
- [LAC 58.1.2903](#) Spousal Consent
- [LAC 58.1.4113](#) Spousal Consent

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

- [Chapter 20: Community Property and Divorce](#)



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# Chapter 17: Hazardous Duty Services Plan (HAZ Plan)

## Content

### [Overview](#)

### [Who is Eligible for the HAZ Plan?](#)

### [Enrolling a New Employee Hired into a HAZ Plan Eligible Position](#)

### [Enrolling an Existing Employee Hired into a HAZ Plan Eligible Position](#)

### [Members Transitioning to the HAZ Plan](#)

### [HAZ Plan Contribution Rates](#)

### [Transferring and Upgrading Service into the HAZ Plan](#)

### [Transitioning from the HAZ Plan to a Non-HAZ Eligible Position](#)

### [Retirement Benefits for HAZ Plan Members](#)

### [Health Insurance Premiums](#)

### [Disability Benefits for HAZ Plan Members](#)

### [Survivor Benefits for HAZ Plan Members](#)

## [Frequently Asked Questions](#)

## [Reference Material](#)

## Overview

This chapter pertains to hazardous duty personnel employed on or after January 1, 2011, and to employees in hazardous duty positions employed prior to January 1, 2011, who made or have the option to make the affirmative decision to join the HAZ Plan.

## Who is Eligible for the HAZ Plan?

To be eligible for the HAZ Plan, a member must be hired into a HAZ Plan eligible position and his or her first employment making the member eligible for membership in one of the state systems must occur on or after January 1, 2011. A member may also make the irrevocable decision to join the HAZ Plan if he or she is employed in a HAZ Plan eligible position. The following positions qualify for the HAZ Plan:

- ❖ All personnel employed in positions required to be P.O.S.T.-certified, who have the power to arrest, who hold a commission as required for employment in such positions, who are otherwise members of LASERS, and who are not members of any other retirement system
- ❖ Wildlife agents of the enforcement division of the Department of Wildlife & Fisheries
- ❖ Wardens, correctional officers, security personnel, and probation and parole officers employed by the Department of Public Safety and Corrections
- ❖ Employees of the bridge police section of the Crescent City Connection Division of the Department of Transportation and Development
- ❖ Full-time law enforcement personnel, supervisors, and administrators who are employed by the Department of Revenue, Office of Alcohol and Tobacco Control, who are P.O.S.T.-certified, who have the power to arrest, and who hold a commission from such office
- ❖ Peace officers, 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
- ❖ Arson investigators employed by the Office of the State Fire Marshal who are P.O.S.T.-certified, who have the power to arrest, and who hold a commission from such office
- ❖ Park rangers employed by the Department of Culture, Recreation, and Tourism, Office of State Parks, who are P.O.S.T.-certified, who have the power to arrest, and who hold a commission from such office

- ❖ Campus police officers employed by any institution of postsecondary education who are P.O.S.T.-certified, who have the power to arrest, and who hold a commission as required for employment as such officers
- ❖ Hospital security officers employed by Louisiana State University Health Sciences Center, who are P.O.S.T.-certified, who have the power to arrest, and who hold a commission as required for employment as such officers
- ❖ Investigators employed by the Department of Justice who are employed in positions required to be P.O.S.T.-certified
- ❖ Investigators employed by the Office of State Inspector General who are employed in positions required to be P.O.S.T.-certified
- ❖ Commissioned employees of the Harbor Police Department of the Port of New Orleans, first hired on or after July 1, 2014
- ❖ Employees of the Department of Agriculture and Forestry, who respond to wildfires, and are trained as wildland firefighters, as provided in R.S. 3:4276(9)

## Enrolling a New Employee Hired into a HAZ Plan Eligible Position

When a new employee is hired into a HAZ Plan eligible position and enrolled as a member of LASERS, it is important to determine if the member has any previous service in LASERS. This will determine if the member is eligible for enrollment into the HAZ Plan. Agencies should use Employer Self-Service (ESS) to determine if a member has current, un-refunded service in LASERS. Agencies are also encouraged to utilize the "Ask LASERS" section of the LASERS website.

[Form 01-01: Member Registration](#) must be completed to ensure that the member is enrolled properly. However, this form is not required to be submitted to LASERS; it

should be kept in the employee's personnel file at the employing agency. For more information on enrolling members, refer to [Chapter 1: Membership & Enrollment](#).

**NOTE:** *If a new employee is hired into a LASERS eligible position but is actively contributing to another retirement system, then he or she may be eligible to elect to retain membership in that system. For more information on this topic, refer to the section "Members Electing to Remain in Current System" in [Chapter 1: Membership & Enrollment](#).*

### EMPLOYEES WITH NO PREVIOUS SERVICE IN LASERS

If a new employee with no previous service in LASERS is hired into a LASERS eligible hazardous duty position, then he or she **must be enrolled** in the HAZ Plan. If the new employee was a previous member of LASERS but refunded the previous service, then he or she **must be enrolled** in the HAZ Plan.

### EMPLOYEES WITH CURRENT UN-REFUNDED SERVICE IN LASERS

If a new employee with current un-refunded service in LASERS is hired into a LASERS eligible hazardous duty position, then he or she **must elect:**

1. **to remain** in his or her existing or last retirement plan;
2. **to irrevocably join** the HAZ Plan.

[Form 02-18: Hazardous Duty Services Plan Election](#) must be submitted to LASERS upon the member's enrollment.

If the member elects to remain in his or her existing retirement plan, then he or she will be enrolled in the existing retirement plan and contribute at the contribution rate of that plan. At any point prior to retiring or entering DROP, the member may irrevocably elect to join the HAZ Plan. If this occurs, the member must submit a **new** [Form 02-18: Hazardous Duty Services Plan Election](#) to LASERS, indicating that he or she elects to join the Hazardous Duty Services Plan. The agency must terminate the member from his or her existing retirement plan and enroll the member in the HAZ Plan. The member's enrollment into the HAZ Plan will be effective on the date that the form is signed by the member and certified by the agency.

If the member elects to join the HAZ Plan, then he or she makes an irrevocable decision to be enrolled in the HAZ Plan and maintain membership in that plan for the duration of employment in an eligible position. Any member who elects to join the HAZ Plan whose first eligibility for membership is prior to January 1, 2011 will be treated as an employee whose first eligibility for membership occurred *on or after* January 1, 2011.

The member may request an actuarial calculation to transfer and/or upgrade any prior service credit into the HAZ Plan. Transfers and upgrades of service credit must be completed prior to the member's retirement; however, transfers and upgrades of service credit may be completed before, during, or after participation in DROP. For more information on transfers and upgrades, refer to the section *Transferring and Upgrading Service into the HAZ Plan* in this chapter.

## Enrolling an Existing Member Hired into a HAZ Plan Eligible Position

When hiring an employee into a HAZ Plan eligible position who is transferring from another agency, it is important to determine if the member has any previous service in LASERS. This will determine if the member is eligible for enrollment into the HAZ Plan. If the employee has no previous service in LASERS, then refer to the section *Enrolling a New Employee Hired Into a HAZ Plan Eligible Position* in this chapter.

If the employee has current un-refunded service in LASERS, then he or she would fall into one of the following categories:

1. Member's current/last retirement plan is a rank-and-file plan or specialty plan
2. Member's current/last retirement plan is HAZ Plan

Agencies should use [Employer Self-Service \(ESS\)](#) to determine the member's current/last retirement plan prior to enrolling the member. Agencies are also encouraged to utilize the "Ask LASERS" section of the LASERS website.

[Form 01-01: Member Registration](#) must be completed to ensure that the member is enrolled properly. However, this form is not required to be submitted to LASERS; it should be kept in the employee's personnel file at the employing agency. For more information on enrolling members, refer to [Chapter 1: Membership & Enrollment](#).

### MEMBERS WHOSE CURRENT/LAST RETIREMENT PLAN IS A RANK-AND-FILE PLAN OR SPECIALTY PLAN

If a member is hired into a LASERS eligible hazardous duty position and is not currently enrolled in the HAZ Plan, then the member has the option to either elect to remain in his or her current/last retirement plan **or** elect to irrevocably join the HAZ Plan. [Form 02-18: Hazardous Duty Services Plan Election](#) must be submitted to LASERS upon the member's enrollment.

If the member elects to remain in his or her existing retirement plan, then he or she will be enrolled in the existing retirement plan and contribute at the contribution rate of that plan. At any point prior to retiring or entering DROP, the member may irrevocably elect to join the HAZ Plan. If this occurs, the member must submit a **new** [Form 02-18: Hazardous Duty Services Plan Election](#) to LASERS, indicating that he or she elects to join the Hazardous Duty Services Plan. The agency must terminate the member from his or her existing retirement plan and enroll the member in the HAZ Plan. The member's enrollment into the HAZ Plan will be effective on the date that the form is signed by the member and certified by the agency.

If the member elects to join the HAZ Plan, then he or she will be **irrevocably** enrolled in the HAZ Plan. The member may request an actuarial calculation to transfer and/or upgrade any prior service credit at any time prior to retirement; however, transfers and upgrades of service credit may be completed before, during, or after participation in DROP. Any member who elects to join the HAZ Plan whose first eligibility for membership is prior to January 1, 2011 will be treated as an employee whose first eligibility for membership occurred on or after January 1, 2011. For more information on transfers and upgrades, refer to the section *Transferring and Upgrading Service into the HAZ Plan* in this chapter).

### MEMBERS WHOSE CURRENT/LAST RETIREMENT PLAN IS HAZ PLAN

If a member is hired into a LASERS eligible hazardous duty position and his or her existing retirement plan is the HAZ Plan, then this means that the member has already made the irrevocable decision to join the HAZ Plan, or that he or she was eligible for the HAZ Plan at previous enrollment in LASERS. In either situation, the member **must be enrolled** in the HAZ Plan.

## Members Transitioning to the HAZ Plan

Any member who was enrolled in a hazardous duty eligible position in a rank-and-file retirement plan or a specialty plan prior to January 1, 2011 can make the **irrevocable decision** to join the HAZ Plan. This decision may be made at any time on or after January 1, 2011. For information on eligible positions, refer to the section *Who is Eligible for the HAZ Plan?* in this chapter.

To join the HAZ Plan, [Form 02-18: Hazardous Duty Services Plan Election](#) must be submitted to LASERS. If a member has chosen to remain in his or her existing retirement plan, then he or she may elect to join the HAZ Plan at any point prior to retiring or entering DROP. Once the decision is made to join the HAZ Plan, the member will be treated as an employee whose first eligible date for membership occurred on or after January 1, 2011.

If a member is enrolled in a rank and file retirement plan and elects to join the HAZ Plan, then his or her employing agency must indicate whether the member held a position qualified as hazardous duty. [Form 01-11: Certification of Prior Employment in a Hazardous Duty Position](#) must be submitted to LASERS by the Human Resources Personnel Officer at the time that the member transitions to the HAZ Plan or at the time that the member transfers prior service into the HAZ Plan (refer to the section *Transferring and Upgrading Service into the HAZ Plan* in this chapter). Members enrolled in a HAZ Plan eligible specialty retirement plan (Corrections Primary, Corrections Secondary, Peace Officers, Wildlife Agents, Alcohol and Tobacco Control, Bridge Police Employees, Bridge Police Employees 2, and New Orleans Harbor Police) who elect to join the HAZ Plan are not required to submit this certification.

**NOTE:** *LASERS members who have participated in DROP or who are re-employed retirees under Option 1 or Option 3 are not eligible to join the HAZ Plan.*

### SERVICE CREDIT OPTIONS WHEN JOINING THE HAZ PLAN

Once a member joins the HAZ Plan, he or she may consider the following options in regard to existing service credit:

1. **Maintain existing service credit under the provision of the member's previous retirement plan and join the HAZ Plan day forward, accruing service credit and benefits prospectively.** If joining the HAZ Plan results in an actuarial cost to LASERS, the member must pay the cost prior to retiring. LASERS is unable to know if a cost will be associated with this decision until the member actually prepares for retirement. Members may avoid this by selecting one of the other options.

2. **Join the HAZ Plan and transfer all service credit into the HAZ Plan. If the transfer results in no actuarial cost to the system, then the member will receive the same number of years of service credit in the HAZ Plan as was earned in his or her previous plan.** If there is an actuarial cost, the member may pay the actuarial cost and receive credit for the actual number of years transferred or the member may accept the years of service credit on a pro rata basis. The time transferred will count toward HAZ Plan retirement eligibility, but will be calculated at the accrual rate at which it was earned. For more information on transfers and upgrades of service credit, refer to the section *Transferring and Upgrading Service into the HAZ Plan* in this chapter.
3. **Join the HAZ Plan, transfer all service credit into the HAZ Plan, and pay to upgrade all prior service credit to a 3.33% accrual rate.** The transferred and upgraded time will count toward HAZ Plan eligibility and benefits. ***However, the 3.33% accrual rate will not apply unless the member spends his or her last 10 years of employment in a hazardous duty position.*** For more information on transfers and upgrades of service credit, refer to the section *Transferring and Upgrading Service into the HAZ Plan* in this chapter.

## HAZ Plan Contribution Rates

Members of the HAZ Plan pay a contribution rate of 9.5%. Employer contribution rates change every fiscal year. These rates are determined each year based on an actuarial formula and are approved by the Public Retirement Systems' Actuarial Committee (PRSAC). Once approved, these rates must be used to calculate employer contributions submitted to LASERS beginning in the July reporting period. This includes payrolls with a check date in July, regardless of when earned.

LASERS issues a Liaison Memorandum each year once the rates are approved. This memorandum includes

a chart that lists the updated employer contribution rates by retirement plan. For more information on remitting contributions and historical contribution rates, refer to [Chapter 3: Contribution Reporting](#).

## Transferring and Upgrading Service into the HAZ Plan

Any member who elects to join the HAZ Plan will maintain prior service credit in the previous plan pursuant to the provisions of that plan and accrue service credit and benefits in the HAZ Plan beginning on the date that he or she joins the HAZ Plan. The member will maintain the benefit accrual rate for prior service and receive an accrual rate of three and one-third percent (3.33%) for each year of service earned in or ***transferred into and upgraded*** to the HAZ Plan.

***However, the 3.33% accrual rate will not apply unless the member spends his or her last 10 years of employment in a hazardous duty position. If the member's last ten years of service were not worked exclusively in a LASERS eligible hazardous duty position, then the member will only receive a benefit accrual rate of two and one-half percent (2.5%) for HAZ Plan service credit, and upgraded service credit will be paid at the accrual rate at which it was earned.***

Transferring prior service credit into the HAZ Plan will not cause the benefit accrual rate to increase. The transferred service credit earned at a lower accrual rate ***must be upgraded*** in order for the benefit accrual rate to increase. The previous service credit must be transferred into the HAZ Plan prior to member's retirement. Members may upgrade previous service credit at the time of the transfer into the HAZ Plan, or it may be upgraded after the transfer at any time prior to the member's retirement. Transfers and upgrades of service credit may be completed before, during, or after participation in DROP. If a member transfers and/or upgrades service credit while participating in DROP or while working after DROP, then the transferred and/or upgraded service credit will only count toward the supplemental portion of the member's benefit.

[Form 02-19: Application to Transfer/Upgrade Service into the Hazardous Duty Services Plan](#) must be completed by the employee and certified by the agency's Human Resources Personnel Officer. This certification must be completed by the agency at which the employee worked during the period of service being certified (not necessarily by the current employing agency). The form must be submitted to LASERS along with the appropriate actuarial calculation fee. The system actuary will determine the cost to transfer and/or upgrade the service credit (for more information on actuarial purchases, refer to [Chapter 9: Purchases, Transfers and Reciprocals](#)). If the transfer results in no cost to the system, the member will receive the same number of years of service credit in the HAZ Plan as was earned in his or her previous plan. If there is a cost to transfer, the member may accept the years on a pro rata basis. The member should allow six weeks to receive an invoice. **It is highly recommended that an invoice be requested at least six months prior to the date needed.**

### PAYMENTS FOR TRANSFERRED OR UPGRADED SERVICE

All payments for any transferred and/or upgraded service credit must be made in full prior to the expiration of the invoice. The cost cannot be paid in monthly installments. If the invoice expires, the member must reapply and pay an additional actuarial calculation fee, if appropriate, in order to obtain a new invoice. All payments must be paid in a lump sum by any combination of personal checks, cashier's checks, certified checks, money orders, or rollovers from qualified accounts. Funds may also be wired to LASERS. A copy of the invoice must accompany all payments.

If the member rolls over funds to LASERS from a qualified account, [Form 02-13: LASERS Acceptance Letter of Rollover of Assets](#) must be completed by an authorized agent of the financial institution that is remitting the payment and submitted to LASERS. LASERS **will not** accept a financial institution's direct rollover form in lieu of Form 02-13.

## Transitioning from the HAZ Plan to a Non-HAZ Eligible Position

If a member who was previously enrolled in the HAZ Plan accepts a position that is no longer HAZ Plan eligible, then he or she must be enrolled in a Regular (rank-and-file) retirement plan. Determining the member's Regular plan eligibility can be tricky. The chart on the next page provides some guidelines in enrolling such members.

*Once the decision is made to join the HAZ Plan, the member will be treated as an employee whose first eligible date for membership occurred on or after January 1, 2011. This means that the member should be enrolled in the regular plan available at the time he or she made the decision to join HAZ Plan or at the time the new employee was enrolled in the HAZ Plan, either Regular Employees 3 or Regular Employees 4 Retirement Plan.*

If a member was originally enrolled in LASERS prior to January 1, 2011, joins the HAZ Plan, then subsequently moves into a non-HAZ Plan position, he or she will be treated as though his or her first date making the member eligible for LASERS membership is January 1, 2011 (Regular Employees 3 plan). If a member entered the system on or after January 1, 2011 and was enrolled in the HAZ Plan, then subsequently moves into a non-HAZ Plan position, he or she will be enrolled in the plan that was available at the time the member joined the system (Regular Employees 3 or Regular Employees 4 plan).

**NOTE:** *Generally, the Regular Employees 3 Plan applies to members hired between January 1, 2011 and June 30, 2015. The Regular Employees 4 Plan generally applies to members hired on or after July 1, 2015. These rules do not apply if the member had prior un-refunded service.*

## Determining a Retirement Plan (When Transitioning from the HAZ Plan to a Non-HAZ Plan Position)

### Example 1:

January 1, 2006 – Member enrolled in a rank-and-file plan, but in a position that was later recognized as a hazardous duty services eligible position

February 2, 2012 – Member elected to join the HAZ Plan

October 1, 2015 – Member accepted a non-HAZ Plan position and was enrolled in a Regular plan

### ***Retirement Plan = Regular Employees 3***

Because the member was originally enrolled in LASERS prior to January 1, 2011, and elected to join the HAZ Plan on February 2, 2012, the member's first date making him or her eligible for membership subsequently became January 1, 2011. Although the retirement plan available on October 1, 2015 was Regular Employees 4, the member should be enrolled in Regular Employees 3 plan because that is the retirement plan that the member was eligible for on January 1, 2011.

### Example 2:

January 1, 2006 – Member enrolled in a rank-and-file plan, but in a position that was later recognized as a hazardous duty services eligible position

February 2, 2012 – Member elected to join the HAZ Plan

July 1, 2014 – Member accepted a non-HAZ Plan position and was enrolled in a Regular plan

### ***Retirement Plan = Regular Employees 3***

Because the member was originally enrolled in LASERS prior to January 1, 2011 and elected to join the HAZ Plan on February 2, 2012, the member's first date making him or her eligible for membership subsequently became January 1, 2011. Therefore, the member was eligible for Regular Employees 3 as of January 1, 2011.

### Example 3:

January 1, 2015 – Member enrolled in a non-HAZ Plan position

July 10, 2015 – Member accepted a HAZ Plan eligible position and elected to join the HAZ Plan

October 1, 2016 – Member accepted a non-HAZ Plan position and was enrolled in a Regular plan

### ***Retirement Plan = Regular Employees 3***

The member was originally enrolled in LASERS after January 1, 2011, and elected to join the HAZ Plan on July 10, 2015. The member's first date making him or her eligible for membership is his or her original enrollment date of January 1, 2015, since this date occurred after January 1, 2011. Although the retirement plan available on October 1, 2016 was Regular Employees 4, the member should be enrolled in Regular Employees 3 plan because that is the retirement plan that the member was eligible for on January 1, 2015.

### Example 4:

September 1, 2015 – Member accepted a HAZ Plan eligible position and was enrolled in the HAZ Plan

October 15, 2017 – Member accepted a non-HAZ Plan position and was enrolled in a Regular plan

### ***Retirement Plan = Regular Employees 4***

The member was originally enrolled in LASERS, in the HAZ Plan, on September 1, 2015. The member's first date making him or her eligible for membership is the original enrollment date of September 1, 2015, since this date occurred after January 1, 2011. The member should be enrolled in Regular Employees 4 plan because it was the retirement plan that the member was eligible for on September 1, 2015.

## Retirement Benefits for HAZ Plan Members

At the time of retirement, members of the HAZ Plan do not select a typical retirement option because their benefits are directed by statute. Retirement eligibility, benefit accrual rates, and final average compensation (FAC) are also different for HAZ Plan members (for more information on benefit calculation and retirement eligibility for the HAZ Plan and Regular Plan members, refer to [Chapter 8: Retirement Benefit Calculation & Eligibility](#)).

| HAZ Plan Characteristics  |  |
|---|--|
| <b>Retirement Eligibility</b><br><br><i>* In order for service credit to count towards HAZ Plan retirement eligibility, all service credit must be earned in the HAZ Plan or transferred into the HAZ Plan.</i> | <b>Eligibility for Regular Retirement, DROP and IBO:</b><br><ul style="list-style-type: none"> <li>❖ 12 years of service credit at age 55*</li> <li>❖ 25 years of service credit at any age*</li> </ul>  |
|   | <b>Eligibility for Regular Retirement with an Actuarially Reduced Benefit:</b><br><ul style="list-style-type: none"> <li>❖ 20 years of service credit at any age*- the actuarial reduction is based on the number of months that the member is away from unreduced HAZ Plan Regular retirement eligibility.</li> </ul>   |
| <b>Benefit Accrual</b>  | <ul style="list-style-type: none"> <li>❖ If the last 10 years of service credit were worked in a hazardous duty position, the member will receive a 3.33% accrual rate for all years worked in or transferred AND upgraded to the HAZ Plan.</li> <li>❖ If the last 10 years of service credit were worked in a hazardous duty position and the member transferred but did not upgrade service credit to the HAZ Plan, the member will receive a 3.33% accrual rate for years worked in the HAZ Plan and will receive prior service credit at the accrual rate at which it was earned.</li> <li>❖ If the last 10 years of service were <b>not</b> worked in a hazardous duty position, the member will receive a 2.5% accrual rate for all years worked in the HAZ Plan and will receive upgraded service credit at the accrual rate at which it was earned.</li> </ul> |
| <b>FAC Period</b>   | 60 months  |
| <b>Spousal Benefit</b>  | 75% of retiree’s monthly benefit**<br><br><b>**For more information, refer to the section <i>Survivor Benefits for HAZ Plan Members</i> in this chapter.</b>   |

## Health Insurance Premiums

**The premiums for health insurance coverage paid by any retiree participating in the Office of Group Benefits program who has transferred service credit into the HAZ Plan from another retirement plan at LASERS or any other State Retirement System and who retires, other than Disability Retirement, or enters DROP without meeting a regular plan retirement eligibility, shall be increased by an amount sufficient to pay for any increase in the employer’s premiums resulting from his or her retirement until the age at which the retiree meets regular plan retirement eligibility.** Any member retiring with at least 20 years of service credit will not be subject to increased insurance premiums (for more information on Haz Plan Retirement Eligibilities and Regular Plan Retirement Eligibilities, refer to [Chapter 8: Retirement Benefit Calculation & Eligibility](#)).

## Disability Benefits for HAZ Plan Members

This section includes information on members of the HAZ Plan who became disabled while employed in state service.

### NON-LINE OF DUTY

A HAZ Plan member applying for Disability retirement who was not injured in the line of duty but is unable to perform his or her work duties must meet the following criteria:

- ❖ **10 years of hazardous duty service credit** – this includes years of service earned in any hazardous duty plan (HAZ Plan, Corrections Primary & Secondary, Bridge Police Employees, Peace Officers, Alcohol and Tobacco Control, Wildlife Agents, and New Orleans Harbor Police). If a member has service credit in a non-hazardous duty plan, the member must transfer his or her service credit to the HAZ Plan for those years to count as hazardous duty service credit. *Air time purchases are not considered earned service; therefore, they cannot be used to meet the 10 year service requirement.*

For benefit accrual rates and final average compensation (FAC) used to calculate a member's Non-Line of Duty Disability benefit, refer to the HAZ Plan Characteristics chart in the section *Retirement Benefits for HAZ Plan Members* of this chapter.

### LINE OF DUTY

Any member that becomes totally and permanently disabled resulting solely from injuries sustained in the performance of his or her official job duties may apply for Disability retirement *regardless of his or her years of service in the HAZ Plan*. The member will receive 75% of his or her final average compensation (FAC) as the monthly disability retirement benefit. For more information on how FAC is calculated, refer to Chapter 8: Retirement Benefit Calculation & Eligibility.

### Intentional Act of Violence

If a member becomes totally and permanently disabled, resulting from injuries received while in the line of duty as a result of an intentional act of violence, the member will receive a disability benefit equal

to 100% of his or her final average compensation regardless of the member's years of service. This must be certified by the agency and is subject to approval by the LASERS Board of Trustees.

### Certifying Line of Duty

If a member's injury is sustained in the line of duty, the agency must answer the following three questions on the [Form 04-01A: Disability Report](#) within the Disability Application:

1. Was the disability a result of an injury or accident on the job?
2. If yes, was the injury sustained in the official performance of official duties?
3. If yes, is the member in the Hazardous Duty, Corrections Primary, Corrections Secondary, Wildlife, or Harbor Police Plan and was the injury due to an intentional act of violence? (If yes, [Form 04-01C: Certification of Disability Sustained from an Intentional Act of Violence](#) must be submitted)

[Form 04-01A: Disability Report](#) must be certified by the Human Resources Personnel Officer and submitted along with [Form 04-01: Disability Retirement Application](#).

If the injury was due to an intentional act of violence, [Form 04-01C: Certification of Disability Sustained from an Intentional Act of Violence](#) must be certified by the agency's Appointing Authority and Human Resources Personnel Officer, then submitted to LASERS. Documentation to support the assertion that the injury was sustained as a result of an intentional act of violence should be attached to this certification form. Documentation may include internal investigation reports, reports from outside agencies, and news reports.

**NOTE:** *Disability retirees cannot participate in DROP, choose an IBO, or receive a lump sum payment of leave. They are also unable to select the Self-Funded COLA.*

## THE APPLICATION PROCESS

When a HAZ Plan member applies for Disability retirement, [Form 01-11: Certification of Prior Employment in a Hazardous Duty Position](#) must be submitted along with the three-part Disability application. For information on the disability application process and a complete listing of forms and required documents, refer to the sections *The Disability Process* and *Required Documents* in [Chapter 13: Disability Retirement](#).

## Survivor Benefits for HAZ Plan Members

This section outlines the steps to be taken when a member of the HAZ Plan dies. Depending upon eligibility, survivor benefits may be payable to the deceased member's surviving spouse, minor child(ren), and physically handicapped or mentally disabled child(ren), *whether the member was active, inactive, or retired*. If it is determined that no survivor benefits are due, then a refund of employee contributions will be paid to the last named beneficiary(ies) or the estate of the deceased member. For information on survivor terminology and reporting the death of a member, refer to [Chapter 6: Survivor Benefits](#).

### WHO IS ELIGIBLE FOR SURVIVOR BENEFITS?

The member's employment status (active, inactive, or retired) at the time of death will determine how the survivor benefit is calculated. If an active member dies in the line of duty, then the survivor benefit will be calculated differently than that of a non-line of duty death.

#### Active Members - Non-Line of Duty

Surviving spouses and minor children of an active HAZ Plan member who dies prior to retiring but not in the line of duty, are entitled to the same survivor benefits as Regular members hired on or after January 1, 2011. For more information on the benefits payable to survivors, refer to [Chapter 6: Survivor Benefits](#).

#### Active Members - Line of Duty

If an active member dies in the line of duty or as a direct result of an injury sustained while in the line of duty, then his or her surviving spouse, minor children, and physically handicapped or mentally disabled children are entitled to a monthly benefit **regardless of the amount of service credit the member had at the time of death**.

The survivor benefit is calculated at 80% of the member's final average compensation (FAC). For more information on how FAC is calculated, refer to Chapter 8: Retirement Benefit Calculation & Eligibility. The survivor benefit is shared equally among the survivors. Once a survivor is no longer eligible for benefits, the remaining survivors will have their shares adjusted accordingly. A surviving spouse is eligible for a benefit regardless of the length of the marriage and the benefit will not cease upon remarriage.

**NOTE:** *The agency must certify that the member died in the line of duty on [Form 03-01: Application for Survivor Benefits](#).*

#### Intentional Act of Violence

If a member's death resulted from an intentional act of violence, then his or her surviving spouse, minor children, and physically handicapped or mentally disabled children are entitled to a monthly benefit **regardless of the amount of service credit the member had at the time of death**. The survivor benefit is calculated at 100% of the member's final average compensation (FAC). The survivor benefit is distributed equally among the survivors. Once a survivor is no longer eligible for benefits, the remaining survivors will have their shares adjusted accordingly. A surviving spouse is eligible for a benefit regardless of the length of the marriage and the benefit will not cease upon remarriage.

### Certifying Line of Duty

If the member's death is sustained in the line of duty, then the agency must answer the following questions on the [Form 03-01: Application for Survivor Benefits](#):

1. Was the member killed as a result of an injury or accident on the job in the official performance of official duties?
2. If yes, was the member in or eligible to enroll in the Hazardous Duty, Corrections Primary, Corrections Secondary, Wildlife, or Harbor Police Plan and was the death due to an intentional act of violence? (If yes, [Form 03-01A: Certification of Death of Intentional Act of Violence](#) must be submitted)

[Form 03-01A: Certification of Death from an Intentional Act of Violence](#) must be submitted when a member of the Hazardous Duty, Corrections Primary, Corrections Secondary, Wildlife, or Harbor Police plan, or a member eligible for one of those plans, dies due to an injury sustained while in the line of duty as a result of an intentional act of violence. Form 03-01A must be certified by the Human Resources Personnel Director. Documentation to support the assertion that the death was sustained as a result of an intentional act of violence should be attached to this certification form. Documentation may include internal investigation reports, reports from outside agencies, and news reports.

### Retired Members

At the time of a retired HAZ Plan member's death, his or her surviving spouse will receive 75% of the member's monthly retirement benefit. A surviving spouse is eligible for a benefit regardless of the length of marriage and the benefit will not cease upon remarriage. This benefit will cease upon the surviving spouse's death unless there are minor children.

If the member does not have a surviving spouse or the surviving spouse has died, then his or her surviving minor children will receive the same benefit that applies to survivors of Regular members hired on or after January 2011. For more information on the benefits payable to surviving minor children, refer to [Chapter 6: Survivor Benefits](#).

### Inactive Members

If a member of the HAZ Plan terminated employment prior to becoming eligible for retirement and has at least 12 years of un-refunded service credit earned in or transferred into the HAZ Plan, then his or her surviving spouse will receive a monthly benefit of 50% of the monthly benefit that would have been paid to the member (refer to the section *Retirement Benefits for HAZ Plan Members* in this chapter). A surviving spouse is eligible for a benefit regardless of the length of marriage and the benefit will not cease upon remarriage. This benefit will cease upon the surviving spouse's death unless there are minor children.

If the member does not have a surviving spouse or the surviving spouse has died, then his or her surviving minor children will receive the same benefit that applies to survivors of Regular members hired on or after January 2011. For more information on the benefits payable to surviving minor children, refer to [Chapter 6: Survivor Benefits](#).

**NOTE:** *The surviving spouse must submit a copy of his or her marriage license along with all other necessary documents in order to be eligible for survivor benefits.*

### GUIDELINES FOR SURVIVOR PAYMENTS

Eligible survivor benefits become effective on the first of the month following the death of the member. However, no benefits will be paid until all required forms are received by LASERS.

A monthly survivor benefit is not payable if there is no qualified surviving spouse or qualified surviving minor children for active, inactive, or retired members. In these cases, a lump sum payment of the *active or inactive* member's contributions will be issued to the last named beneficiary on file or to the member's estate. If the member was retired at the *time of death* and no qualified survivors exist, then a lump sum payment of the member's residual contributions will be issued to the last named beneficiary on file or to the member's estate.

### THE APPLICATION PROCESS

The application process for active and inactive HAZ Plan members is the same as for Regular Plan members. For information on the survivor application process and a complete listing of forms and required documents, refer to Chapter 6: Survivor Benefits.



**Form 03-01: Application for Survivor Benefits**  
*must be submitted to LASERS in its entirety (including page 2), or it will not be accepted.*

At the time of a retired HAZ Plan member's death, the surviving spouse must submit [Form 10-01: Beneficiary Signature](#). If the deceased member does not have a surviving spouse or the surviving spouse has died, then the surviving minor children should submit [Form 10-01: Beneficiary Signature](#). The legal tutor or guardian of minor children under 18 should complete and sign the form. If there are multiple children, then multiple forms are needed. For a complete list of forms and vital documents needed for surviving minor children, refer to the section titled *Surviving Minor Children* in [Chapter 6: Survivor Benefits](#). Agency certification is required for deceased members who were employed within the last 12 months of their death and/or who died while in active state service.

## Frequently Asked Questions

- 1. If a member chooses to join the HAZ Plan but did not spend his or her last 10 years of employment in a hazardous duty position, does the member receive a 3.33% accrual rate for the years in the HAZ Plan?**

*No, an accrual rate of 2.5% will be used for members who were not employed in a hazardous duty eligible position during their last 10 years of service.*

- 2. If a current member enrolled in a non-HAZ Plan position moves into a hazardous duty position, does he or she have the choice to stay in the current retirement plan or does the member have to join the HAZ Plan?**

*At the time of employment in the hazardous duty position, the member has the choice to remain in his or her existing plan or to elect to join the HAZ Plan. The only exceptions are members who are participating in DROP or working after DROP.*

- 3. Can a member who participated in DROP enroll in the HAZ Plan?**

*No, members who are participating in DROP or working after DROP are not eligible to join the HAZ Plan. The election to enter the HAZ Plan must be made prior to entering DROP or retirement.*

- 4. If a member of the Corrections Secondary retirement plan elects to join the HAZ Plan, will his or her previous service credit accrued at 3.33% have to be transferred and upgraded to receive retirement eligibility in the HAZ Plan?**

*The member will have to transfer prior service into the HAZ Plan for it to count towards HAZ Plan retirement eligibility. Any prior service credit earned at 3.33% does not have to be upgraded.*

- 5. If a member joins the HAZ Plan, can he or she retire under rank-and-file eligibilities?**

*If the member is not eligible to retire under HAZ Plan eligibilities, then he or she may retire under the provisions of the Regular Employees 3 Plan.*

## Reference Material

### APPLICABLE FORMS

- [01-01: Membership Registration](#)
- [01-11: Certification of Prior Employment in a Hazardous Duty Position](#)
- [02-18: Hazardous Duty Services Plan Election](#)
- [02-13: LASERS Acceptance Letter of Rollover Assets](#)
- [02-19: Application to Transfer/Upgrade Service into the Hazardous Duty Services Plan](#)
- [03-01: Application for Survivor Benefits](#)
- [03-01A: Certification of Death from an Intentional Act of Violence](#)
- [04-01: Disability Retirement Application](#)
- [04-01C: Certification of Disability Sustained from an Intentional Act of Violence](#)
- [10-01: Beneficiary Signature](#)

### APPLICABLE AGENCY LIAISON MEMORANDA

- [10-19: Act 992 Hazardous Duty Personnel](#)
- [10-27: HAZ Plan Transition Information](#)
- [11-01: HAZ Plan Transition Information](#)
- [11-13: HAZ Plan Enrollment Effective Date](#)

### APPLICABLE LAWS & RULES

(Note: this list is not exhaustive)

- [La R.S. 11:611](#) Creation of Hazardous Duty Services Plan
- [La R.S. 11:612](#) Applications; Definitions
- [La R.S. 11:613](#) Eligibility for Plan Membership

- [La R.S. 11:614](#) Eligibility for Retirement
- [La R.S. 11:615](#) Retirement Benefit Calculation
- [La R.S. 11:616](#) Deferred Retirement Option Plan; Initial Benefit Option Plan; Annual Cost-of-Living Adjustment Option
- [La R.S. 11:617](#) Disability Retirement
- [La R.S. 11:618](#) Survivors' Benefits for Members Killed in the Line of Duty
- [La R.S. 11:619](#) Survivors' Benefits for Death other than in the Line of Duty
- [La R.S. 11:620](#) Transfer of other Service Credit
- [La R.S. 11:620.1](#) Transfer of other Service Credit; Harbor Police Retirement Plan Eligibility
- [La R.S. 11:621](#) Survivors' Benefits for Former or Retired Members
- [La R.S. 11:631](#) Administration of the Harbor Police Retirement Plan

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

- [Chapter 23: Hazardous Duty Services Plan \(HAZ PLAN\)](#)
- [Chapter 24: Transition to Hazardous Duty Services Plan \(HAZ PLAN\)](#)

### APPLICABLE LASERS VIDEO

- [What is your Retirement Plan and Retirement Eligibility?](#)



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## Content

### [Overview](#)

### [Who is Eligible for the Judicial Plan?](#)

### [Enrolling Employees into Judicial Plans](#)

### [Judicial Plan Contribution Rates](#)

### [Transferring and Upgrading Service into Judicial Plans](#)

### [Retirement Benefits for Judicial Plan Members](#)

### [Disability Benefits for Judicial Plan Members](#)

### [Survivor Benefits for Judicial Plan Members](#)

## Quick Links

### [Judicial Employees Plan Characteristics Chart](#)

### [Judicial Employees 2 Plan Characteristics Chart](#)

### [Judicial Employees 3 Plan Characteristics Chart](#)

### [Frequently Asked Questions](#)

### [Reference Material](#)

## Overview

This chapter contains information on the Judicial retirement plans, which include judges and court officers hired or taking office prior to January 1, 2011, and judges taking office on or after January 1, 2011. This chapter will cover enrollment, retirement eligibility, disability retirement, and survivor benefits for each Judicial Employees retirement plan.

## Who is Eligible for the Judicial Plans?

Currently there are three specialty retirement plans for judges and court officers:

- ❖ Judicial Employees (prior to January 1, 2011)
- ❖ Judicial Employees 2 (January 1, 2011 through June 30, 2015)
- ❖ Judicial Employees 3 (after June 30, 2015)

Each plan has its own set of characteristics. The dates listed above are generally the applicable dates of each plan; any exceptions are explained throughout this chapter. For a judge, eligibility depends upon the date that he or she took office; for a court officer, eligibility depends on the date of hire.

### **JUDICIAL EMPLOYEES RETIREMENT PLAN**

The Judicial Employees retirement plan pertains to judges and court officers whose first employment making them eligible for one of the four state retirement systems (Louisiana State Employees' Retirement System (LASERS), Teachers' Retirement System of Louisiana (TRSL), Louisiana School Employees' Retirement System (LSERS), or Louisiana State Police Retirement System (LSPRS)) was *prior to January 1, 2011*. The following positions qualify as judges and court officers under the Judicial Employees retirement plan:

- ❖ Justices of the Louisiana Supreme Court
- ❖ Judicial Administrator of the Supreme Court and his or her deputies
- ❖ Judges of the Courts of Appeal
- ❖ Judges of the District Courts
- ❖ Judges of the Civil District Court for Orleans Parish
- ❖ Commissioners of the Civil District Court for Orleans Parish
- ❖ Judges of the Criminal District Court for Orleans Parish
- ❖ Magistrates of the magistrate section of the Criminal District Court for Orleans Parish
- ❖ Commissioners of the magistrate section of the Criminal District Court for Orleans Parish
- ❖ Judges of the Juvenile Courts for East Baton Rouge, Orleans, Jefferson, and Caddo Parishes
- ❖ Judges of the Family Court for East Baton Rouge Parish
- ❖ Judges of the First and Second Parish Courts of Jefferson Parish
- ❖ Judges of the First and Second City Courts of New Orleans, Municipal Court of New Orleans, and Traffic Courts of New Orleans
- ❖ Judges of the various City Courts
- ❖ Judges of any Parish Court
- ❖ Judicial Administrators of the Criminal District Court of Orleans Parish and his or her deputies

- ❖ Judicial Administrator of the Traffic Courts for Orleans Parish and each Deputy Administrator
- ❖ Judicial Administrator of the Fourth Judicial District Court for the parishes of Morehouse and Ouachita and his or her deputies

### JUDICIAL EMPLOYEES 2 & JUDICIAL EMPLOYEES 3 RETIREMENT PLANS

The Judicial Employees 2 and Judicial Employees 3 retirement plans only pertain to judges whose first employment making them eligible for one of the four state retirement systems (LASERS, TRSL, LSERS, or LSPRS) was on or after January 1, 2011. Court officers hired on or after January 1, 2011, were excluded from these plans and became part of the rank-and-file Regular Employees plans. The following positions qualify as judges under the Judicial Employees 2 and Judicial Employees 3 retirement plans:

- ❖ Justices of the Louisiana Supreme Court
- ❖ Judges of the Courts of Appeal
- ❖ Judges of the District Courts
- ❖ Judges of the Civil District Court for Orleans Parish
- ❖ Judges of the Criminal District Court for Orleans Parish
- ❖ Judges of the Juvenile Courts for East Baton Rouge, Orleans, Jefferson, and Caddo Parishes
- ❖ Judges of the Family Court for East Baton Rouge Parish
- ❖ Judges of the First and Second Parish Courts of Jefferson Parish
- ❖ Judges of the First and Second City Courts of New Orleans, Municipal Court of New Orleans, and Traffic Courts of New Orleans
- ❖ Judges of the various City Courts
- ❖ Judges of any Parish Court

## Enrolling Employees into Judicial Retirement Plans

When enrolling a judge or court officer as a member of LASERS, it is important to determine if the employee has any previous service in one of the four state retirement systems (LASERS, TRSL, LSERS, or LSPRS). This will determine if the judge or court officer

is eligible for enrollment into one of the Judicial retirement plans, or if he or she should be enrolled in a Regular Employees retirement plan. Agencies should use Employer Self-Service (ESS) to determine if a member has current, un-refunded service in LASERS. Agencies are also encouraged to utilize the "Ask LASERS" section of the LASERS website.

[Form 01-01: Member Registration](#) must be completed to ensure that the member is enrolled properly. However, this form is not required to be submitted to LASERS; it should be kept in the employee's personnel file at the employing agency. For more information on enrolling members, refer to [Chapter 1: Membership & Enrollment](#).

Members who were enrolled in one of the four state retirement systems (LASERS, TRSL, LSERS, and LSPRS) prior to July 1, 2015, and did not refund their contributions, will be enrolled into the LASERS retirement plan that was in place on the date that he or she was first eligible to be enrolled in one of the four state retirement systems. Eligible members should complete [Form 01-10: Certification of Membership in a State System Prior to July 1, 2015](#) and have it certified by the prior retirement system. The completed form must be submitted to LASERS to ensure that the member is enrolled in the proper retirement plan.

### EMPLOYEES WITH NO PREVIOUS SERVICE

If a judge takes office and has no previous service in one of the four state retirement systems (LASERS, TRSL, LSERS, or LSPRS) or was a previous member of one of the four state retirement systems but *refunded the previous service*, then he or she **must be enrolled** in the Judicial Employees 3 retirement plan. This plan is only for judges taking office on or after July 1, 2015.

If the new employee is a court officer and has no previous service in one of the four state retirement systems (LASERS, TRSL, LSERS, or LSPRS) or was a previous member of one of the four state retirement systems but *refunded the previous service*, then he or she **must be enrolled** in Regular Employees 4 retirement plan (for more information on enrolling members, refer to [Chapter 1: Membership & Enrollment](#)).

## EMPLOYEES WITH CURRENT UN-REFUNDED SERVICE

If a judge takes office and has current un-refunded service in one of the four state retirement systems (LASERS, TRSL, LSERS, or LSPRS), then depending upon his or her original hire date, the judge should be enrolled in the Judicial Employees retirement plan or the Judicial Employees 2 retirement plan. If the new employee is a court officer and has current un-refunded service in one of the four state retirement systems, then depending upon his or her original hire date, the court officer should be enrolled in the Judicial Employees retirement plan or the appropriate Regular Employees retirement plan (for more information on enrolling members, refer to [Chapter 1: Membership & Enrollment](#)).

### Judicial Employees Retirement Plan

**Judges and court officers** who were originally hired or first took office prior to January 1, 2011, should be enrolled in the Judicial Employees retirement plan. Membership in this plan is generally closed to new employees; however, new employees may belong to this class if they have un-refunded membership in one of the four state retirement systems (LASERS, TRSL, LSERS, and LSPRS) prior to January 1, 2011.

### Judicial Employees 2 Retirement Plan

**Judges** who originally first took office on or after January 1, 2011, but on or before June 30, 2015, should be enrolled in the Judicial Employees 2 retirement plan. Membership in this plan is generally closed to new employees; however, new employees may belong to this class if they have un-refunded membership in one of the four state retirement systems (LASERS, TRSL, LSERS, and LSPRS) prior to July 1, 2015.

**NOTE:** *Court officers hired on or after January 1, 2011, are not eligible for enrollment in the Judicial Employees 2 and Judicial Employees 3 retirement plans. These members must be enrolled in the appropriate Regular Employees retirement plan.*

## Judicial Retirement Plan Contribution Rates

The Judicial Employees retirement plan, which includes judges and court officers, has an employee contribution rate of 11.5%. Judicial Employees 2 and Judicial Employees 3 retirement plans, which include only judges, have an employee contribution rate of 13%.

Employer contribution rates change every fiscal year. These rates are determined each year based on an actuarial formula and are approved by the Public Retirement Systems' Actuarial Committee (PRSAC). Once approved, these rates must be used to calculate employer contributions submitted to LASERS beginning in the July reporting period. This includes payrolls with a check date of July, regardless of when earned. LASERS issues a Liaison Memorandum each year when the rates are approved. This memorandum includes a chart that lists the updated employer contribution rates by retirement plan. For more information on remitting contributions and historical contribution rates, refer to [Chapter 3: Contribution Reporting](#).

## Retirement Benefits for Judicial Retirement Plan Members

The Judicial retirement plans are considered specialty plans, meaning that each plan has its own set of characteristics that are different from the characteristics of Regular Employees retirement plans. Retirement eligibility, retirement options, benefit accrual rates, final average compensation (FAC), and employee contribution rates are determined by the Judicial plan in which a member is enrolled. For more information on benefit calculation and retirement eligibility for the Judicial retirement plans, refer to [Chapter 8: Retirement Benefit Calculation & Eligibility](#).

## JUDICIAL EMPLOYEES RETIREMENT PLAN CHARACTERISTICS

The Judicial Employees retirement plan includes judges and court officers. At retirement, members of this plan have the option to choose the Judicial Maximum retirement option or any of the six regular retirement options (this excludes the Regular Plan Maximum retirement option). For a full description of the retirement options, refer to [Chapter 9: Retirement Options & Cost-of-Living Adjustments](#).

The Judicial Maximum retirement option pays the maximum monthly benefit to the member until his or her death. Upon the member's death, the Judicial Maximum option pays a survivor benefit to the member's surviving spouse, who was **married to the member at the time of death**. For more information on the benefit payable to the surviving spouse, please contact LASERS at 800.256.3000 or 225.922.0600.

If a member of the Judicial Employees plan selects one of the six regular retirement options, then the member's monthly benefit will be paid based upon the option selected at the time of retirement. Judicial survivor benefits will not be payable and the member must select a beneficiary(ies). Upon the member's death, benefits will be paid to the named beneficiary(ies) based on the option chosen. If a married member selects an option that does not leave at least 50 percent of a monthly benefit to his or her current spouse, the spouse must sign [Form 04-04: Spousal Consent](#) in the presence of a Notary Public and submit the notarized form to LASERS.

### Upgrading Service into the Judicial Employees Retirement Plan

Members of the Judicial Employees retirement plan may elect to upgrade any non-judicial service credit to judicial service credit by paying the actuarial cost of the upgrade. The upgrade will increase the benefit accrual rate to three and one-half percent (3.5%) and establish eligibility for retirement under the Judicial Employees retirement plan. The service credit may be upgraded at any time prior to the member's retirement including while the member is participating in DROP and while the member is working after DROP.

When a member upgrades service credit while participating in DROP or while working after DROP, the upgraded service credit only counts toward the supplemental benefit. Furthermore, it is only the difference in the original accrual rate and the upgraded accrual rate that is applied to the supplemental benefit.

[Form 02-15: Judicial Upgrade Invoice Request](#) must be completed by the member. Each applicable employer should certify the member's prior service. The form must be submitted to LASERS along with the appropriate actuarial calculation fee. The system actuary will determine the cost to upgrade the service credit (for more information on actuarial purchases, refer to [Chapter 9: Purchases, Transfers and Reciprocals](#)). The member should allow six weeks to receive an invoice. **It is highly recommended that an invoice be requested at least six months prior to the date needed.**

**NOTE:** LASERS highly recommends that members of the Judicial Employees retirement plan request estimates and schedule individual counseling sessions 18 months prior to retiring or entering DROP, in order to fully understand all of the retirement options and eligibilities that are applicable to this plan.

**Payments for Upgraded Service**

All payments for upgraded service credit must be made in full prior to the expiration of the invoice. The cost cannot be paid in monthly installments. If the invoice expires, then the member must reapply and pay an additional actuarial calculation fee, if appropriate, in order to obtain a new invoice.

All payments must be paid in a lump sum by any combination of personal checks, cashier's checks, certified checks, money orders, and rollovers from

qualified accounts. Funds may also be wired to LASERS. A copy of the invoice must accompany all payments.

If the member rolls over funds to LASERS from a qualified account, then [Form 02-13: LASERS Acceptance Letter of Rollover of Assets](#) must be completed by an authorized agent of the financial institution that is remitting the payment and submitted to LASERS. LASERS **will not** accept a financial institution's direct rollover form in lieu of Form 02-13.

**Judicial Employees Retirement Plan Characteristics**

|  |   |
|--|---|
| <p><b>Judicial Retirement Eligibility</b></p>  | <p><b>Eligibility for Regular Retirement, DROP and IBO:</b></p> <ul style="list-style-type: none"> <li>❖ 10 years of service credit as a Judge or Court Officer at age 65</li> <li>❖ 12 years of service credit as a Judge or Court Officer at age 55</li> <li>❖ 18 years of service credit as a Judge or Court Officer at any age</li> <li>❖ 20 years of total service credit at age 50, with at least 12 years as a Judge or Court Officer</li> <li>❖ Any number of years of service credit as a Judge or Court Officer at age 70</li> </ul> <p><i>In addition to the retirement eligibility requirements listed above, members of this plan may also choose to <b>retire or enter DROP</b> under <b>Regular Employees</b> or <b>Regular Employees 2</b> retirement eligibilities, depending upon when the member entered the system. See eligibilities listed below.</i></p> |
| <p><b>Regular Employees Retirement Eligibility</b><br/><i>(For Judges and Court Officers who were hired or first took office on or before June 30, 2006)</i></p> | <p><b>Eligibility for Regular Retirement, DROP and IBO:</b></p> <ul style="list-style-type: none"> <li>❖ 10 years of service credit at age 60</li> <li>❖ 25 years of service credit at age 55</li> <li>❖ 30 years of service credit at any age</li> </ul> <p><b>Eligibility for Regular Retirement with an Actuarially Reduced Benefit:</b></p> <ul style="list-style-type: none"> <li>❖ 20 years of service credit at any age - the actuarial reduction is based on the number of months that the member is away from unreduced Regular Service Retirement eligibility.</li> </ul>   |
| <p><b>Regular Employees 2 Retirement Eligibility</b><br/><i>(For Judges employed between July 1, 2006 and December 31, 2010)</i></p>                             | <p><b>Eligibility for Regular Retirement, DROP and IBO:</b></p> <ul style="list-style-type: none"> <li>❖ 5 years of service credit at age 60</li> </ul> <p><b>Eligibility for Regular Retirement with an Actuarially Reduced Benefit:</b></p> <ul style="list-style-type: none"> <li>❖ 20 years of service credit at any age - the actuarial reduction is based on the number of months that the member is away from unreduced Regular Service Retirement eligibility.</li> </ul>   |
| <p><b>Benefit Accrual</b></p>  | <p>2.5% plus an additional 1.0% for all years served as a Judge or Court Officer</p>  |
| <p><b>FAC Period</b></p>   | <p>36 months</p>  |

**JUDICIAL EMPLOYEES 2 RETIREMENT PLAN CHARACTERISTICS**

The Judicial Employees 2 retirement plan includes judges only. At retirement, members of this plan must select one of the seven regular retirement options (for a full description of the seven retirement options, refer to [Chapter 9: Retirement Options & Cost-of-Living Adjustments](#)). The Judicial Maximum option is not applicable to members of this plan. Upon retirement, members of this plan must select a retirement option and a beneficiary(ies). At retirement, the member’s monthly benefit will be based upon the option selected. Upon the retiree’s death, benefits will be paid to the named beneficiary(ies) based on the option chosen. If a married member selects an option that does not leave at least 50 percent of a monthly benefit to his or her current spouse, the spouse must sign [Form 04-04: Spousal Consent](#) in the presence of a Notary Public and submit the notarized form to LASERS.

**JUDICIAL EMPLOYEES 3 RETIREMENT PLAN CHARACTERISTICS**

The Judicial Employees 3 retirement plan includes judges only. At retirement, members of this plan must select one of the seven regular retirement options (for a full description of the seven retirement options, refer to [Chapter 9: Retirement Options & Cost-of-Living Adjustments](#)). The Judicial Maximum option is not applicable to members of this plan. Upon retirement, members of this plan must select a retirement option and a beneficiary(ies). At retirement, the member’s monthly benefit will be based upon the option selected. Upon the retiree’s death, benefits will be paid to the named beneficiary(ies) based on the option chosen. If a married member selects an option that does not leave at least 50 percent of a monthly benefit to his or her current spouse, the spouse must sign [Form 04-04: Spousal Consent](#) in the presence of a Notary Public and submit the notarized form to LASERS.

| Judicial Employees 2 Retirement Plan Characteristics |   |
|--|---|
| <b>Retirement Eligibility</b>                        | <p><b>Eligibility for Regular Retirement, DROP and IBO:</b></p> <ul style="list-style-type: none"> <li>❖ 5 years at age 60</li> </ul> <p><b>Eligibility for Regular Retirement with an Actuarially Reduced Benefit:</b></p> <ul style="list-style-type: none"> <li>❖ 20 years of service credit at any age - <i>the actuarial reduction is based on the number of months that the member is away from unreduced Judicial Employees 2 retirement eligibility.</i></li> </ul> |
| <b>Benefit Accrual</b>                               | 2.5% plus an additional 1.0% for all years served as a Judge  |
| <b>FAC Period</b>                                    | 60 months   |

| Judicial Employees 3 Retirement Plan Characteristics |   |
|--|---|
| <b>Retirement Eligibility</b>                        | <p><b>Eligibility for Regular Retirement, DROP and IBO:</b></p> <ul style="list-style-type: none"> <li>❖ 5 years at age 62</li> </ul> <p><b>Eligibility for Regular Retirement with an Actuarially Reduced Benefit:</b></p> <ul style="list-style-type: none"> <li>❖ 20 years of service credit at any age - <i>the actuarial reduction is based on the number of months that the member is away from unreduced Judicial Employees 3 retirement eligibility.</i></li> </ul> |
| <b>Benefit Accrual</b>                               | 2.5% plus an additional 1.0% for all years served as a Judge  |
| <b>FAC Period</b>                                    | 60 months   |

## Disability Benefits for Judicial Plan Members

### JUDICIAL EMPLOYEES RETIREMENT PLAN

If a member of the Judicial Employees retirement plan becomes physically or mentally incapacitated and cannot perform his or her job duties, then he or she may apply for Disability retirement. There is no minimum service requirement for a judge or court officer to apply. If approved for Disability retirement, the monthly retirement benefit would be the greater of:

- ❖ 50% of the salary that the member was receiving immediately prior to Disability retirement
- or
- ❖ The Judicial Maximum retirement benefit

### JUDICIAL EMPLOYEES 2 & JUDICIAL EMPLOYEES 3 RETIREMENT PLANS

Members of the Judicial Employees 2 and Judicial Employees 3 retirement plans have the same Disability eligibilities and benefits as members of the Regular Employees plans. For information on who is eligible for Disability retirement, refer to the section *What is Disability Retirement?* in [Chapter 13: Disability Retirement](#).

### THE APPLICATION PROCESS

To apply for Disability retirement, Judicial plan members must submit the three-part Disability application. For information on the Disability application process and a complete listing of forms and required documents, refer to the sections *The Disability Process* and *Required Documents* in [Chapter 13: Disability Retirement](#).

## Survivor Benefits for Judicial Retirement Plan Members

This section outlines the steps to be taken when a member of a Judicial plan dies. Depending upon eligibility, survivor benefits may be payable to the deceased member's surviving spouse, minor child(ren), and physically handicapped or mentally disabled child(ren), *whether the member was active, inactive, or*

*retired*. If it is determined that no survivor benefits are due, then a refund of contributions will be paid to the last name beneficiary(ies) or the estate of the deceased member. For information on survivor terminology and reporting the death of a member, refer to [Chapter 6: Survivor Benefits](#).

### JUDICIAL EMPLOYEES RETIREMENT PLAN

The member's employment status (active, inactive, or retired) at the time of death will determine how the survivor benefit is calculated. The eligibility of the survivor depends upon the member's years of service at the time of death. For detailed eligibility requirements, please contact LASERS at 800.256.3000 or 225.922.0600.

### JUDICIAL EMPLOYEES 2 & JUDICIAL EMPLOYEES 3 RETIREMENT PLANS

Members of the Judicial Employees 2 and Judicial Employees 3 retirement plans have the same survivor eligibilities and benefits as members of the Regular Employees 3 and Regular Employees 4 retirement plans. For eligibility information, charts, and checklists pertaining to survivor benefits, refer to [Chapter 6: Survivor Benefits](#).

### GUIDELINES FOR SURVIVOR PAYMENTS

Eligible survivor benefits for the Judicial Employees retirement plan become effective on the member's date of death. For the Judicial Employees 2 and Judicial Employees 3 retirement plans, eligible survivor benefits become effective on the first of the month following member's death. However, no benefits will be paid until all required forms are received by LASERS.

A monthly survivor benefit is not payable if there is no qualified surviving spouse or qualified surviving minor children for active, inactive, or retired members. In these cases, a lump sum payment of the *active or inactive* member's contributions will be issued to the last named beneficiary on file or to the member's estate. If the member was *retired at the time of death* and no qualified survivors exist, then a lump sum payment of the member's remaining contributions will be issued to the last named beneficiary on file or to the member's estate.

## THE APPLICATION PROCESS

The survivor application process for active, inactive, and retired Judicial Employees retirement plan members is the same as the process for Regular Employees plan members. For information and checklists pertaining to the survivor application process, refer to [Chapter 6: Survivor Benefits](#).

**NOTE:** *The surviving spouse must submit a copy of his or her marriage license along with all other necessary documents in order to be eligible for survivor benefits.*

## Frequently Asked Questions

- 1. If a court officer is hired on or after January 1, 2011, is he or she eligible to be enrolled in a Judicial Employees retirement plan?**

*Any court officer hired on or after January 1, 2011, with no prior service in one of the four state retirement systems, must be enrolled in either Regular Employees 3 or Regular Employees 4 retirement plan (for more information on this topic, refer to the section of this chapter Who is Eligible for the Judicial Plan?).*
- 2. If a judge has time in the Regular Employees retirement plan, does he or she receive an extra 1.0% accrual rate for the years worked as a member of the Regular plan?**

*A judge or court officer enrolled in the Judicial Employees retirement plan will only receive the extra 1.0% accrual rate based on the time worked as a judge or court officer. A judge or court officer enrolled in the Judicial Employees retirement plan can pay to upgrade any non-judicial service credit to judicial service credit (for information on judicial upgrades, refer to the section Upgrading Service into the Judicial Employees Retirement Plan in this chapter).*
- 3. Is a judge or court officer (enrolled in the Judicial Employees retirement plan) required to select the Judicial Maximum retirement benefit option?**

*No, the member can select the Judicial Maximum retirement option or any one of the six regular plan retirement options, excluding the Regular retirement plan maximum option. However, if the member selects an option other than Judicial Maximum, benefits will only be paid to the last named beneficiary based on the option selected.*
- 4. Can members of the Judicial Employees retirement plan retire or enter DROP under Regular Employees plan retirement eligibilities?**

*Based on their date of hire, Judicial Employees retirement plan members can retire or enter DROP under Judicial eligibilities, Regular Employees retirement plan eligibilities, or Regular Employees 2 retirement plan eligibilities. Members of the Judicial Employees 2 and Judicial Employees 3 retirement plans have the same eligibilities as members of Regular Employees 3 and Regular Employees 4 retirement plans, respectively.*
- 5. For a judge retiring or entering DROP under Regular Employees retirement plan eligibilities, can a Regular retirement/DROP application be submitted to LASERS?**

*No, a Judicial retirement application or DROP application must be submitted to LASERS (for a list of acceptable forms, refer to the Reference Material section of this chapter).*

## Reference Material

### APPLICABLE FORMS

- [01-01: Membership Registration](#)
- [01-10: Certification of Membership in a State System Prior to July 1, 2015](#)
- [02-13: LASERS Acceptance Letter of Rollover Assets](#)
- [02-15: Judicial Upgrade Invoice Request](#)
- [04-04: Spousal Consent](#)
- [08-01: Judicial Application for Retirement](#)
- [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 \(IBO\) \(complete if eligible to retire on or before 01/01/2004\)](#)
- [08-03: Judicial Application for DROP](#)
- [08-06: Judicial Certification of Employment After DROP](#)
- [08-04: Judicial Disability Retirement Application](#)

### APPLICABLE LAWS & RULES

(Note: this list is not exhaustive)

- [La R.S. 11:441 Eligibility for Retirement](#)
- [La R.S. 11:441.1 Early Retirement and Payroll Reduction Act of 2006](#)
- [La R.S. 11:442 Application for Retirement; Effective date; Cancellation; Suspension of Benefits](#)
- [La R.S. 11:444 Computation of Retirement Benefits](#)
- [La R.S. 11:551 Eligibility for Membership](#)
- [La R.S. 11:552 Effect of Failure to Exercise Option](#)
- [La R.S. 11:553 Eligible Judges and Court Officers](#)
- [La R.S. 11:554 Exercise of Option](#)
- [La R.S. 11:555 Membership and Credit; Approved](#)

- [La R.S. 11:556 Exercise of Option; Additional Time Granted](#)
- [La R.S. 11:557 Additional Benefits](#)
- [La R.S. 11:558 Eligibility of Retirement](#)
- [La R.S. 11:558.1 Credits Resulting from Certain Delays](#)
- [La R.S. 11:558.2 District Court Judges' Benefits; Service Credit; Calculation](#)
- [La R.S. 11:559 Transfer of Creditable Service; Purchase of Credit for Service](#)
- [La R.S. 11:560 Contributions](#)
- [La R.S. 11:561 Disability Retirement Pay](#)
- [La R.S. 11:562 Survivor Benefits](#)
- [La R.S. 11:562.1 Continued Eligibility for Survivor Benefits or Minor Children and Handicapped or Mentally Retarded Children](#)
- [La R.S. 11:563 Additional Creditable Service](#)
- [La R.S. 11:564 Credit for Service with Indigent Defender Program](#)
- [La R.S. 11:565 Credit for Service with Legal Aid Bureau](#)
- [La R.S. 11:565.1 Credit for Service as Full-time Law Clerk](#)
- [La R.S. 11:566 Assigned Judges](#)
- [La R.S. 11:567 Existing Members of System](#)
- [La R.S. 11:568 Vesting](#)
- [La R.S. 11:569 Payments of Benefits; Source](#)
- [La R.S. 11:570 Exemption from Execution](#)
- [La R.S. 11:571 Applicability of Other Law](#)

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

- [Chapter 31: Judges and Court Officers \(Elected or Hired Prior to January 1, 2011\)](#)
- [Chapter 32: Judges \(Taking office on or after January 1, 2011\)](#)

### APPLICABLE LASERS VIDEOS

- [What is your Retirement Plan and Retirement Eligibility?](#)
- [Judicial Retirement Plan](#)



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## Content

### [Overview](#)

### [Contribution Rates for Wildlife Agents Plan](#)

### [Retirement Benefits for Wildlife Agents Plan](#)

### [Disability Benefits for Wildlife Agents Plan](#)

→ [Line of Duty](#)

→ [Non-Line of Duty](#)

### [Survivor Benefits for Wildlife Agents Plan](#)

→ [Line of Duty](#)

→ [Non-Line of Duty](#)

→ [Members Currently in DROP, Working after DROP, or Re-employed Retirees](#)

→ [Retired Members](#)

## Quick Links

### [Wildlife Agents Plan Characteristics](#)

### [Frequently Asked Questions](#)

### [Reference Material](#)

## Overview

This chapter pertains to wildlife agents employed by the Enforcement Division of the Louisiana Wildlife and Fisheries Commission hired prior to January 1, 2011. This chapter will cover retirement eligibility, disability retirement, and survivor benefits for the Wildlife Agents plan.

Membership into the Wildlife Agents plan is closed to new employees. Wildlife agents first hired on or after January 1, 2011, must be enrolled in the Hazardous Duty Services Plan (HAZ Plan). Wildlife agents hired prior to January 1, 2011, may elect to irrevocably join the HAZ Plan. For more information on the HAZ Plan, refer to [Chapter 17: Hazardous Duty Services Plan \(HAZ Plan\)](#).

## Contribution Rates for Wildlife Agents Plan

The Wildlife Agents plan has an employee contribution rate of 9.5%. Employer contribution rates change every fiscal year. These rates are determined each year based on an actuarial calculation and are approved by the Public Retirement Systems' Actuarial Committee (PRSAC). Once approved, these rates must be used to calculate employer contributions submitted to LASERS beginning in the July reporting period. This includes payrolls with a check date of July, regardless of when earned. Each year LASERS issues a Liaison Memorandum that includes a chart listing the updated employer contribution rates by retirement plan. For more information on remitting contributions and historical contribution rates, refer to [Chapter 3: Contribution Reporting](#).

## Retirement Benefits for Wildlife Agents Plan

The Wildlife Agents plan is considered a specialty plan, meaning that it has its own set of characteristics that are different from those of rank-and-file plans. At the time of retirement, members of the Wildlife Agents plan cannot select a typical retirement option because their benefits are directed by survivor statute. Members of this plan receive the maximum retirement option, which pays the highest benefit to the member until his or her death. Retirement eligibility and benefit accrual rates are determined by the date the member was hired as a wildlife agent. However, eligibility for DROP does not depend on the hire date. For more information on benefit calculation and retirement eligibility for the Wildlife Agents plan, refer to [Chapter 8: Retirement Benefit Calculation & Eligibility](#).

### **FORCED RETIREMENT**

If the Secretary of the Department of Wildlife and Fisheries believes that a wildlife agent is unable to satisfactorily perform his or her duties because of illness or injury, the Secretary can request that the agent voluntarily retire. If the agent refuses, then the Secretary may request that he or she be retired and receive the benefit to which the member would be entitled.

| Wildlife Agents Plan Characteristics  |   |
|---|---|
| <p><b>Retirement Eligibility*</b></p> <p><i>*Members of this plan are eligible to join the HAZ Plan at any time prior to retiring or participating in DROP.</i></p> | <p>→ Members who were hired <b>prior to July 1, 2003</b> have the following eligibility requirements:</p> <p><b>Eligibilities for Regular Retirement and IBO:</b></p> <ul style="list-style-type: none"> <li>❖ 10 years of service credit at age 55</li> <li>❖ 20 years of service credit at any age</li> </ul> <p>-----</p> <p>→ Members who were hired <b>on or after July 1, 2003</b> have the following eligibility requirements:</p> <p><b>Eligibilities for Regular Retirement and IBO:</b></p> <ul style="list-style-type: none"> <li>❖ 10 years of service credit at age 60</li> <li>❖ 25 years of service credit at any age</li> </ul> <p>-----</p> <p><i>Eligibility for DROP is not dependent upon the member’s hire date.</i></p> <p><b>Eligibilities for DROP:</b></p> <ul style="list-style-type: none"> <li>❖ 10 years of service credit at age 60 – <i>the last 10 years of service credit must be earned as a Wildlife Agent</i></li> <li>❖ 25 years of service credit at any age – <i>the last 10 years of service credit must be earned as a Wildlife Agent</i></li> </ul> |
| <p><b>Benefit Accrual</b></p>   | <p><b>If the last 10 years of service were earned as a Wildlife Agent, immediately prior to retirement:</b></p> <ul style="list-style-type: none"> <li>❖ 3% accrual rate for service credit earned <b>prior to July 1, 2003</b>. <i>This accrual rate also applies to service earned in a plan other than Wildlife.</i></li> <li>❖ 3½% accrual rate for service credit earned <b>on or after July 1, 2003</b>. <i>This accrual rate also applies to service earned in a plan other than Wildlife.</i></li> </ul> <p><b>If the last 10 years of service were <u>not</u> earned as a Wildlife Agent</b>, then the member will receive a 2.5% accrual rate for <u>all</u> years served with the said enforcement division. Any service in a non-Wildlife plan will be calculated at the accrual rate at which it was earned.</p>   |
| <p><b>FAC Period</b></p>  | <p>36 months</p>  |
| <p><b>Leave Conversion</b></p>  | <ul style="list-style-type: none"> <li>❖ 3½% if last 10 years were earned as a Wildlife Agent.</li> <li>❖ 2.5% if last 10 years were <u>not</u> earned as a Wildlife Agent.</li> </ul>  |

**NOTE:** LASERS highly recommends that members of the Wildlife Agents plan request estimates and schedule individual counseling sessions 18 months prior to retiring or entering DROP, in order to fully understand all of the retirement options and eligibilities that are applicable to this plan.

## Disability Benefits for Wildlife Agents Plan

This section includes information on members of the Wildlife Agents plan who become disabled while actively employed in state service. Members who are eligible for Regular retirement, whether active or inactive, are not eligible to apply for Disability retirement.

### NON-LINE OF DUTY

A Wildlife Agents plan member who becomes partially disabled or incapacitated because of illness or injury, while not incurred in the line of duty, must have 10 years of service credit to be eligible for a disability benefit. The member will receive 75% of the retirement benefit that he or she would have received if the member had reached eligibility for Wildlife Agents plan retirement. For more information on benefit calculations and eligibility, refer to [Chapter 8: Retirement Benefit Calculation & Eligibility](#).

### LINE OF DUTY

Any Wildlife Agents plan member who becomes totally disabled resulting solely from injuries sustained in the performance of his or her official job duties may apply for Disability retirement regardless of his or her years of service in the Wildlife Agents plan. The member will receive a monthly benefit of 60 percent of his or her final average compensation (FAC). For more information on how FAC is calculated, refer to [Chapter 8: Retirement Benefit Calculation & Eligibility](#).

**NOTE:** *The HAZ Plan offers a line of duty disability benefit of 75% of FAC. Eligible wildlife agents should consider joining the HAZ Plan before applying for disability retirement.*

### Intentional Act of Violence

If a member becomes totally and permanently disabled resulting from injuries received while in the line of duty as the result of an intentional act of violence, then the member will receive a disability benefit equal to 100%

of his or her average compensation, regardless of the member's years of service. This must be certified by the agency and is subject to approval by the LASERS Board of Trustees.

### Certifying Line of Duty

If a member's injury is sustained in the line of duty, the agency must answer the following three questions on the [Form 04-01A: Disability Report](#) within the Disability Application:

1. Was the disability a result of an injury or accident on the job?
2. If yes, was the injury sustained in the official performance of official duties?
3. If yes, is the member in the Hazardous Duty, Corrections Primary, Corrections Secondary, Wildlife, or Harbor Police Plan and was the injury due to an intentional act of violence? (If yes, [Form 04-01C: Certification of Disability Sustained from an Intentional Act of Violence](#) must be submitted)

[Form 04-01A: Disability Report](#) must be certified by the Human Resources Personnel Officer and submitted along with [Form 04-01: Disability Retirement Application](#).

If the injury was due to an intentional act of violence, [Form 04-01C: Certification of Disability Sustained from an Intentional Act of Violence](#) must be certified by the agency's Appointing Authority and Human Resources Personnel Officer, then submitted to LASERS. Documentation to support the assertion that the injury was sustained as a result of an intentional act of violence should be attached to this certification form. Documentation may include internal investigation reports, reports from outside agencies, and news reports.

### THE APPLICATION PROCESS

To apply for Disability retirement, Wildlife Agents plan members must submit the three-part Disability application. For information on the Disability application process and a complete listing of forms and required documents, refer to the sections *The Disability Process* and *Required Documents* in [Chapter 13: Disability Retirement](#).

## Survivor Benefits for Wildlife Agents Plan

This section outlines the steps to be taken when a member of the Wildlife Agents plan dies. Survivor benefits for non-line of duty members, active line of duty members, and retired members are paid in the following order of priority:

1. **Surviving spouse** – had to be married to the member on the date of death. Benefit will cease upon remarriage.
2. **Minor child(ren)** – only eligible if there is no eligible surviving spouse. Benefit is divided evenly among all eligible children. Benefit will cease once minor child is no longer eligible to receive a benefit (for more information on eligibility of a minor child, refer to [Chapter 6: Survivor Benefits](#)).
3. **Parent(s) who derived his or her main support from the member** – only eligible if there is no eligible surviving spouse or minor child(ren). If more than one parent derives his or her main support from the member, then the benefit will be equally split between both dependent parents.

If it is determined that no survivor benefits are due, then a refund of contributions will be paid to the last named beneficiary(ies) or the estate of the deceased member. For information on survivor terminology and reporting the death of a member, refer to [Chapter 6: Survivor Benefits](#).

### NON-LINE OF DUTY

If an active or inactive member of the Wildlife Agents plan (who was eligible for retirement) dies prior to retiring but not in the line of duty, then the surviving spouse, minor child(ren), or parent(s) will receive the same benefit the member would have received had the member retired on his or her date of death.

If the member dies prior to age 55 and had at least 15 years of service credit, then benefits will be calculated solely on the number of years of service, regardless of the age of the member at the time of death, and will be payable to the surviving spouse, minor child(ren), or dependent parent(s).

### LINE OF DUTY

If an active member dies in the line of duty or as a direct result of an injury sustained while in the line of duty, the following survivor benefits are payable:

#### **Surviving spouse**

- If the member had 25 or more years of service, then his or her surviving spouse will receive a benefit of 75% of the member's FAC.
- If the member had less than 25 years of service, then his or her surviving spouse will receive a benefit of 60% of the member's FAC.

#### **Minor child(ren)**

- Four or more children – will receive a benefit of 60% of the member's FAC divided equally among them.
- Three children - will receive a benefit of 50% of the member's FAC divided equally among them.
- Two children - will receive a benefit of 40% of the member's FAC divided equally among them.
- One child - will receive a benefit of 30% of the member's FAC.

#### **Parent(s) who derived his or her main support from the member**

- A monthly benefit of 25% of the member's FAC will be paid to the member's surviving parent or parents.

### Intentional Act of Violence

If a member's death resulted from an intentional act of violence, the surviving spouse will receive a survivor benefit calculated at 100% of the member's final average compensation (FAC) regardless of the amount of service credit the member had at the time of death. A surviving spouse is eligible for a benefit regardless of the length of the marriage.

If there is no surviving spouse, or the spouse has remarried, all minor children will equally split the benefit and it will be redistributed when a minor child is no longer eligible to receive the benefit. If there is no eligible spouse or minor child(ren), then the parent(s) who derive his or her main support from the member will receive the survivor benefit.

**NOTE:** *If a survivor benefit is being split between multiple minor children, the benefit is not redistributed once a minor child is no longer eligible, unless the member's death was the result of an intentional act of violence.*

### Certifying Line of Duty

If the member's death is sustained in the line of duty, then the agency must answer the following questions on [Form 03-01: Application for Survivor Benefits](#):

1. Was the member killed as a result of an injury or accident on the job in the official performance of official duties?
2. If yes, was the member in or eligible to enroll in the Hazardous Duty, Corrections Primary, Corrections Secondary, Wildlife, or Harbor Police Plan and was the death due to an intentional act of violence? (If yes, [Form 03-01A: Certification of Death of Intentional Act of Violence](#) must be submitted to LASERS)

[Form 03-01A: Certification of Death from an Intentional Act of Violence](#) must be submitted when a member of the Hazardous Duty, Corrections Primary, Corrections Secondary, Wildlife, or Harbor Police plan, or a member eligible for one of those plans, dies due to an injury sustained while in the line of duty as a result of an intentional act of violence. Form 03-01A must be certified by the Human Resources Personnel Director. Documentation to support the assertion that the death was sustained as a result of an intentional act of violence should be attached to this certification form. Documentation may include internal investigation reports, reports from outside agencies, and news reports.

### MEMBERS CURRENTLY IN DROP, WORKING AFTER DROP, OR WORKING AS A RE-EMPLOYED RETIREE

If a wildlife agent dies in the line of duty while participating in DROP, working after DROP, or working as a re-employed retiree, then he or she is eligible for the following survivor benefits:

**Surviving spouse will receive the greater of:**

- If the member had 25 years of service or more, then his or her surviving spouse will receive a benefit of 75% of the member's FAC.
  - If the member had less than 25 years of service, then his or her surviving spouse will receive a benefit of 60% of the member's FAC
- OR**
- 75% of the member's monthly retirement benefit.

**Minor child(ren) will receive the greater of:**

- Four or more children – will receive a benefit of 60% of the member's FAC divided equally among them.
- Three children - will receive a benefit of 50% of the member's FAC divided equally among them.
- Two children - will receive a benefit of 40% of the member's FAC divided equally among them.
- One child - will receive a benefit of 30% of the member's FAC

**OR**

- 75% of the member's monthly retirement benefit split equally between all children.

**Parent(s) who derived his or her main support from the member will receive the greater of:**

- A monthly benefit of 25% of the member's FAC will be paid to the member's surviving parent or parents

**OR**

- 75% of the member's monthly retirement benefit split equally between both parents.

### RETIRED MEMBERS

At the time of a retired wildlife agent's death, 75% of the member's monthly retirement benefit will be paid to his or her survivors in the following order of priority:

- Surviving spouse
- Minor child(ren)
- Parent(s) who derived his or her main support from the member

**NOTE:** *At the time of retirement, members of the Wildlife Agents plan do not choose a retirement option because benefits are directed to survivors by statute.*

### THE APPLICATION PROCESS

The application process for non-line of duty members, active line of duty members, and retired Wildlife members is the same as the process for Regular plan members. For information and checklists pertaining to the survivor application process, refer to [Chapter 6: Survivor Benefits](#).

**NOTE:** *The surviving spouse must submit a copy of his or her marriage license along with all other necessary documents in order to be eligible for survivor benefits.*

## Frequently Asked Questions

- 1. If a member retires in a rank-and-file position with previous service as a Wildlife Agent, will the member still receive a 3% accrual rate for service credit earned prior to July 1, 2003 and a 3.33% accrual rate for service credit earned on or after July 1, 2003?**

*If the member does not work the last 10 years (immediately prior to retirement) as a Wildlife Agent, then his or her years of service in the Wildlife Agents plan will be calculated at a 2.5% accrual rate.*

- 2. If a member of the Wildlife Agents plan dies while active, inactive, or retired, will the surviving spouse and minor child(ren) both be eligible to receive monthly benefits?**

*No, benefits are paid in order of priority. If the deceased member was married at the time of death, then the member's surviving spouse is eligible to receive the survivor benefit. If there is no eligible surviving spouse, then the minor child(ren) will be eligible to receive a survivor benefit.*

- 3. Can a member of the Wildlife Agents plan who was hired prior to July 1, 2003, enter DROP with 20 years of service at any age?**

*No, members of the Wildlife Agents plan can only enter DROP at 10 years of service at age 60 or 25 years of service at any age, regardless of the member's hire date.*

- 4. Does the original Wildlife Agents plan still exist?**

*Due to a change in the law effective July 1, 2003, members of the original Wildlife Agents plan became members of Wildlife Agents 2 plan. This included an increase to contributions and accrual rate for all the time served in the new Wildlife Agents plan. Eligibility for retirement and accrual rate at retirement are now determined by the member's hire date.*

## Reference Material

### APPLICABLE FORMS

- [04-01: Disability Retirement Application](#)
- [04-01C: Certification of Disability Sustained from an Intentional Act of Violence](#)
- [03-01: Application for Survivor Benefits](#)
- [03-01A: Certification of Death from an Intentional Act of Violence](#)

### APPLICABLE LAWS & RULES

(Note: this list is not exhaustive)

- [La R.S. 11:214](#) [Employees of the Enforcement Division in the Department of Wildlife and Fisheries](#)
- [La R.S. 11:581](#) [Application; Definitions](#)
- [La R.S. 11:582](#) [Eligibility; Benefits](#)
- [La R.S. 11:583](#) [Disability Retirement](#)
- [La R.S. 11:583.1](#) [Continuation of Benefit](#)
- [La R.S. 11:584](#) [Forced Retirement](#)
- [La R.S. 11:585](#) [Death Benefits of Surviving Spouse](#)
- [La R.S. 11:586](#) [Death Benefits of Minor Children](#)
- [La R.S. 11:587](#) [Death Benefits of Parents](#)
- [La R.S. 11:588](#) [Death Not in Performance of Duty](#)
- [La R.S. 11:589](#) [Death Before Age Fifty-Five](#)
- [La R.S. 11:590](#) [Forfeiture for Remarriage](#)
- [La R.S. 11:591](#) [Death of Retired Member](#)
- [La R.S. 11:592](#) [Retirement; Purchase of Firearm](#)

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

- [Chapter 29: Wildlife Agents Hired Prior to January 1, 2011](#)

### APPLICABLE LASERS VIDEOS

- [What is your Retirement Plan and Retirement Eligibility?](#)



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## Content

### [Overview](#)

### [Contribution Rates for Correctional Plans](#)

### [Retirement Benefits for Correctional Plan Members](#)

### [Upgrading Service in the Correctional Plans](#)

### [Adult Probation & Parole Officers in Correctional Plans](#)

### [Disability Benefits for Correctional Plan Members](#)

### [Survivor Benefits for Correctional Plan Members](#)

## Quick Links

→ [Corrections Primary Plan Characteristics](#)

→ [Corrections Secondary Plan Characteristics](#)

[Frequently Asked Questions](#)

[Reference Material](#)

## Overview

This chapter pertains to Correctional Officers, Security Personnel, and Probation and Parole Officers employed by the Louisiana Department of Public Safety and Corrections who were hired prior to January 1, 2011. This chapter will cover retirement eligibility, disability retirement, and survivor benefits for the two correctional plans: Corrections Primary and Corrections Secondary.

Employees hired on or before December 31, 2001 were enrolled in the Corrections Primary retirement plan. On January 1, 2002, the Corrections Secondary retirement plan was created and all employees hired on or after this date were enrolled in this plan. Members enrolled in Corrections Primary were given the choice to remain in their current plan or make the irrevocable decision to transfer into the Corrections Secondary retirement plan. Members who currently remain in the Corrections Primary retirement plan may elect to transfer to the Corrections Secondary plan at any time. If a member of Corrections Primary elects to join Corrections Secondary, then [Form 16-01: Department of Public Safety & Corrections Election Agreement Employed Prior to 01/01/02](#) must be submitted to LASERS by the Human Resources Personnel Officer.

Membership into the Corrections Primary and Corrections Secondary retirement plans is closed to new employees. Employees hired on or after January 1, 2011, must be enrolled in the Hazardous Duty Services Plan (HAZ Plan). Corrections Primary and Corrections Secondary members hired prior to January 1, 2011 may elect to irrevocably join the HAZ Plan. For more information on the HAZ Plan, refer to [Chapter 17: Hazardous Duty Services Plan \(HAZ Plan\)](#).

## Contribution Rates for Correctional Plans

Corrections Primary and Secondary retirement plans have an employee contribution rate of 9.0%. Employer contribution rates change every fiscal year. These rates are determined each year based on an actuarial formula and are approved by the Public Retirement Systems' Actuarial Committee (PRSAC). Once approved, these rates must be used to calculate employer contributions submitted to LASERS beginning in the July reporting period. This includes payrolls with a check date of July, regardless of when earned. LASERS issues a Liaison Memorandum each year when the rates are approved. This memorandum includes a chart that lists the updated employer contribution rates by retirement plan.

Members of the Corrections Primary plan paid a contribution rate of 8.5% until June 30, 1989. On July 1, 1989, the contribution rate increased to 9.0%. In addition to this increase, changes were made to retirement eligibility, survivor benefits, and disability benefits for Corrections Primary plan members. For more information on remitting contributions and historical contribution rates, refer to [Chapter 3: Contribution Reporting](#).

## Retirement Benefits for Correctional Plan Members

The correctional retirement plans are considered specialty plans, but unlike most specialty plans, Corrections Primary and Secondary have the same retirement options as Regular Members. At retirement, members of this plan may choose from any of the seven regular retirement options (for a full description

of these options, refer to [Chapter 9: Retirement Options & Cost-of-Living Adjustments](#)).

Retirement eligibility and benefit accrual rates are determined by the Correctional retirement plan in which a member is enrolled at the time of his or her retirement. For more information on benefit calculation and retirement eligibility for the Correctional retirement plans, refer to [Chapter 8: Retirement Benefit Calculation & Eligibility](#).

### Corrections Primary Plan Characteristics

|   |  |
|---|--|
| <p><b>Retirement Eligibility*</b></p> <p><i>*In addition to the retirement eligibility requirements listed, members of Corrections Primary also have the option to retire as a regular member under Regular Employee eligibilities, which include Regular Retirement with an Actuarially Reduced Benefit (20 years at any age). For more information on Regular Employees, refer to <a href="#">Chapter 8: Retirement Benefit Calculation &amp; Eligibility</a></i></p> | <p>→ Members who were hired <b>prior to August 15, 1986</b> have the following eligibility requirements:</p> <p><b>Eligibilities for Regular Retirement, DROP and IBO:</b></p> <ul style="list-style-type: none"> <li>❖ 20 years of service credit at any age - the last 10 years of service credit must have been earned as a Corrections Officer immediately prior to application for retirement</li> </ul> <p>→ Members who were hired <b>on or after August 15, 1986</b> have the following eligibility requirements:</p> <p><b>Eligibilities for Regular Retirement, DROP and IBO:</b></p> <ul style="list-style-type: none"> <li>❖ 20 years of service at age 50 - the last 10 years of service credit must have been earned as a Corrections Officer immediately prior to application for retirement. If the member has service credit in a position other than as a Corrections Officer, then only two-thirds of this service shall be counted towards meeting the retirement eligibility requirement.</li> <li>❖ 25 years of service credit at any age - the last 10 years of service credit must have been earned as a Corrections Officer immediately prior to applicaiton for retirement.</li> </ul> |
| <p><b>Benefit Accrual</b></p>   | <p>2.5%</p>  |
| <p><b>FAC Period</b></p>  | <p>36 months</p>   |
| <p><b>Leave Conversion</b></p>  | <p>2.5% for all years earned at Corrections Primary<br/><i>Pro-rated if any years are earned at a different accrual rate</i></p>   |

### CORRECTIONS PRIMARY

Members of Corrections Primary are eligible to join the Corrections Secondary retirement plan or the HAZ Plan at any time prior to retiring or participating in DROP. Members who exit DROP on or after January 1, 2002 must be enrolled in the Corrections Secondary retirement plan while working after DROP.

| Corrections Secondary Plan Characteristics |  |
|--|--|
| <b>Retirement Eligibility</b>              | <p><b>Eligibilities for Regular Retirement, DROP and IBO:</b></p> <ul style="list-style-type: none"> <li>❖ 10 years of service at age 60</li> <li>❖ 25 years of service credit at any age</li> </ul> |
| <b>Benefit Accrual</b>                     | 3⅓%  |
| <b>FAC Period</b>                          | 36 months  |
| <b>Leave Conversion</b>                    | 3⅓% for all years earned at Corrections Secondary<br><i>Pro-rated if any years are earned at a different accrual rate</i>  |

**CORRECTIONS SECONDARY**

Members of Corrections Secondary do not have the option to retire with 20 years of service credit at any age with an actuarial reduction. Members of this plan are eligible to join the HAZ Plan at any time prior to retiring or participating in DROP.

**NOTE:** *LASERS highly recommends that members of the Correctional retirement plans request estimates and schedule individual counseling sessions 18 months prior to retiring or entering DROP, in order to fully understand all of the retirement options and eligibilities that are applicable to these plans.*

## Upgrading Service in the Correctional Plans

Employees of the Department of Public Safety and Corrections listed below are eligible to upgrade all service credit earned as a member of the Corrections Primary retirement plan upon their election to join the Corrections Secondary retirement plan:

- ❖ Warden
- ❖ Correctional Officer
- ❖ Probation and Parole Officer
- ❖ Security Personnel

The upgrade will increase the benefit accrual rate to three and one-third percent (3⅓%) for each year of upgraded service. An upgrade of service credit requires the member to pay the system an amount which, on an actuarial basis, totally offsets the increased liability to the system resulting from the service credit being purchased.

The service credit may be upgraded at any time prior to the member’s retirement, during participation in DROP, or during employment after DROP. If a member upgrades service credit while participating in DROP or while working after DROP, then the difference in the original accrual rate and the upgraded accrual rate shall only count toward the after-DROP time, or the supplemental benefit.

[Form 16-03: Department of Public Safety & Corrections Upgrade Invoice Request](#) must be completed by the member and submitted to LASERS along with the appropriate actuarial calculation fee. The system actuary will determine the cost to upgrade the service credit (for more information on actuarial purchases, refer to [Chapter 5: Purchases, Transfers and Reciprocals](#)). The member should allow six weeks to receive an invoice. **It is highly recommended that an invoice be requested six months prior to the date needed.**

### PAYMENTS FOR UPGRADED SERVICE

All payments for upgraded service credit must be made in full prior to the expiration of the invoice. The cost cannot be paid in monthly installments. If the invoice expires, then the member must reapply and pay an additional actuarial calculation fee, if appropriate, in order to obtain a new invoice. All payments must be paid in a lump sum by any combination of personal checks, cashier's checks, certified checks, money orders, and rollovers from qualified accounts. Funds may also be wired to LASERS. A copy of the invoice must accompany all payments.

If the member rolls over funds to LASERS from a qualified account, then [Form 02-13: LASERS Acceptance Letter of Rollover of Assets](#) must be completed by an authorized agent of the financial institution that is remitting the payment and submitted to LASERS. LASERS **will not** accept a financial institution's direct rollover form in lieu of Form 02-13.

## Adult Probation and Parole Officers in Correctional Plans

Correctional retirement plan members who are Adult Probation and Parole Officers employed prior to January 1, 2002, and who retire or enter DROP as an Adult Probation and Parole Officer on or after July 1, 2014, may be eligible for a higher accrual rate than other members of the Correctional retirement plans.

This section **does not** apply to officers who meet any of the following criteria:

- ❖ Those who retired prior to July 1, 2014
- ❖ Those who were first employed as an Adult Probation and Parole Officer on or after January 1, 2002
- ❖ Those who participated in DROP prior to July 1, 2014, and who joined the Secondary Plan post-DROP
- ❖ Those who joined the Secondary Plan and paid to upgrade their prior service

### CERTIFYING EMPLOYMENT

When a request is submitted to LASERS on behalf of a member employed as an Adult Probation and Parole Officer, the agency must certify the member's status as such. Examples would include (but would not be limited to) requests for estimates, service purchases, transfers of service credit, entering DROP or retirement, and appointments for individual counseling. [Form 16-04: Certification of Adult Probation and Parole Officer Employment](#) should be submitted to LASERS each time a new request is made.

For members to receive the higher accrual rate, the agency must certify that:

1. The member was employed as an Adult Probation and Parole Officer prior to January 1, 2002

**AND**

2. The member is currently employed and/or retiring or entering DROP after July 1, 2014, as an Adult Probation and Parole Officer.

### CORRECTIONS PRIMARY

Adult Probation and Parole Officers who are in the Corrections Primary retirement plan and meet the following criteria will receive a three percent (3%) accrual rate for all service earned *prior to July 1, 2014* and three and one-third percent (3⅓%) accrual rate for all service earned *on or after July 1, 2014*, regardless of whether the service was earned as an Adult Probation and Parole Officer (this includes Regular Plan service).

- ❖ Employed as an Adult Probation and Parole Officer prior to January 1, 2002; **and**
- ❖ Never joined the Secondary Plan; **and**
- ❖ Retires or enters DROP on or after July 1, 2014, as an Adult Probation and Parole Officer.

These provisions also apply to Adult Probation and Parole Officers who meet the above requirements and who joined the HAZ plan, without ever joining the Secondary Plan, and without upgrading their prior service. **Any member who falls into this category will receive a 3% accrual rate for service earned prior to July 1, 2014, or prior to joining the HAZ Plan, whichever occurred first.**

**NOTE:** *Members who have remained in the Corrections Primary Plan may be adversely affected by the decision to move to the Secondary Plan after July 1, 2014. It is strongly suggested that members obtain estimates prior to making this decision.*

### CORRECTIONS SECONDARY

Adult Probation and Parole Officers who are in the Corrections Secondary retirement plan and meet the following criteria will receive a three percent (3%) accrual rate for all service earned *prior to joining the Secondary Plan*, regardless of whether the service

credit was earned as an Adult Probation and Parole Officer (this includes Regular Plan service).

- ❖ Employed as adult probation and parole officers prior to January 1, 2002; **and**
- ❖ Joined the secondary component; **and**
- ❖ Did not upgrade their service credit; **and**
- ❖ Retires or enters DROP on or after July 1, 2014, as an adult probation and parole officer.

### Disability Benefits for Correctional Plan Members

This section includes information on members of the Correctional retirement plans who become disabled *while actively employed in state service*. Members who are eligible for Regular retirement, whether active or inactive, are not eligible to apply for Disability retirement.

**NOTE:** *The HAZ Plan offers a line of duty disability benefit of 75% of FAC. Eligible Correctional plan members should consider joining the HAZ Plan before applying for disability retirement.*

### CORRECTIONS PRIMARY

A member enrolled in the Correctional Primary retirement plan who sustains a disability in the performance of official duties of a hazardous nature will receive a disability benefit of 60% of the member's final average compensation (FAC), regardless of his or her years of service. If the disability was not sustained in the performance of official duties of a hazardous nature, refer to [Chapter 13: Disability Retirement](#).

## CORRECTIONS SECONDARY

A member enrolled in the Corrections Secondary retirement plan who sustains a disability in the performance of official duties of a hazardous nature will receive a disability benefit of 40% of the member's final average compensation (FAC), regardless of his or her years of service. If the member has met eligibility for Regular Disability retirement, then the disability benefit will be the greater of 40% of the FAC or the benefit calculated under the Regular retirement formula. If the disability was not sustained in the performance of official duties of a hazardous nature, refer to [Chapter 13: Disability Retirement](#).

## INTENTIONAL ACT OF VIOLENCE

If a member of a Correctional retirement plan becomes totally and permanently disabled resulting from injuries received while in the line of duty as a result of an intentional act of violence, then the member will receive a disability benefit equal to 100% of his or her final average compensation regardless of the member's years of service. This must be certified by the agency and is subject to approval by the LASERS Board of Trustees.

### Certifying Line of Duty

If a member's injury is sustained in the line of duty, the agency must answer the following three questions on the [Form 04-01A: Disability Report](#) within the Disability Application:

1. Was the disability a result of an injury or accident on the job?
2. If yes, was the injury sustained in the official performance of official duties?
3. If yes, is the member in the Hazardous Duty, Corrections Primary, Corrections Secondary, Wildlife, or Harbor Police Plan and was the injury due to an intentional act of violence? (If yes, [Form 04-01C: Certification of Disability Sustained from an Intentional Act of Violence](#) must be submitted to LASERS).

[Form 04-01A: Disability Report](#) must be certified by the Human Resources Personnel Officer and submitted along with [Form 04-01: Disability Retirement Application](#).

If the injury was due to an intentional act of violence, [Form 04-01C: Certification of Disability Sustained from an Intentional Act of Violence](#) must be certified by the agency's Appointing Authority and Human Resources Personnel Officer, then submitted to LASERS. Documentation to support the assertion that the injury was sustained as a result of an intentional act of violence should be attached to this certification form. Documentation may include internal investigation reports, reports from outside agencies, and news reports.

## THE APPLICATION PROCESS

To apply for Disability retirement, Correctional retirement plan members must submit the three-part Disability application. For information on the Disability application process and a complete listing of forms and required documents, refer to the sections *The Disability Process* and *Required Documents* in [Chapter 13: Disability Retirement](#).

**NOTE:** *If a member of a Correctional retirement plan is approved for Disability retirement and is enrolled in the Office of Group Benefits (OGB), his or her agency may be required to pay a 75% participation rate for the member's OGB health insurance premiums.*

## Survivor Benefits for Correctional Plan Members

This section outlines the steps to be taken when a member of a Correctional retirement plan dies. Depending upon eligibility, survivor benefits may be payable to the deceased member's surviving spouse, minor child(ren), and physically handicapped or mentally disabled child(ren), **whether the member was active or inactive**. If it is determined that no survivor benefits are due, then a refund of employee contributions will be paid to the last named beneficiary(ies) or the estate of the deceased member. For information on survivor terminology and reporting the death of a member, refer to [Chapter 6: Survivor Benefits](#).

**NOTE:** *The surviving spouse must submit a copy of his or her marriage license along with all other necessary documents in order to be eligible for survivor benefits.*

### NON-LINE OF DUTY

If an active or inactive member of a Correctional retirement plan dies prior to retiring but not in the line of duty, then the surviving spouse or minor child(ren) will receive the same benefit as members of the Regular Employees retirement plan. For detailed eligibility requirements, reference the chart titled *Survivors of Members Enrolled in Regular or Regular 2 Retirement Plans* at the end of [Chapter 6: Survivor Benefits](#).

### LINE OF DUTY

If an active member dies in the line of duty or as a direct result of an injury sustained while in the line of duty, then survivor benefits are payable to the surviving spouse, minor children and/or physically handicapped or mentally disabled children. For information on who qualifies as a minor children and/or physically handicapped or mentally disabled children, refer to [Chapter 6: Survivor Benefits](#).

| Corrections Primary Surviving Spouse*  |   |
|--|---|
| <b>25 or more years of service</b>   | Surviving spouse will receive a benefit of 75% of the member's FAC. |
| <b>Less than 25 years of service</b>   | Surviving spouse will receive a benefit of 60% of the member's FAC. |
| <i>*Surviving spouse must be married to the member on the date of death.</i> |   |

| Corrections Secondary Surviving Spouse*                                      |   |
|--|---|
| <b>25 or more years of service</b>   | Surviving spouse will receive a benefit of 75% of the member's FAC. |
| <b>Less than 25 years of service</b>   | Surviving spouse will receive a benefit of 60% of the member's FAC. |
| <i>*Surviving spouse must be married to the member on the date of death.</i> |   |

| Corrections Primary<br>Minor Child(ren) |   |
|---|---|
| <b>5 or more years of service</b>       | Minor child(ren) and/or physically handicapped or mentally disabled child(ren) will receive a benefit of 75% of the member's FAC. |
| <b>Less than 5 years of service</b>     | Minor child(ren) and/or physically handicapped or mentally disabled child(ren) will receive a benefit of 60% of the member's FAC. |

| Corrections Secondary<br>Minor Child(ren) |   |
|---|---|
| <b>25 or more years of service</b>        | Minor child(ren) and/or physically handicapped or mentally disabled child(ren) will receive a benefit of 75% of the member's FAC. |
| <b>Less than 25 years of service</b>      | Minor child(ren) and/or physically handicapped or mentally disabled child(ren) will receive a benefit of 60% of the member's FAC. |

| Corrections Primary<br>Surviving Spouse* with Minor Child(ren)   |   |
|--|---|
| <b>5 or more years of service</b>  | Surviving spouse, minor child(ren) and/or physically handicapped or mentally disabled child(ren) will receive a benefit of 75% of the member's FAC.** |
| <b>Less than 5 years of service</b>  | Surviving spouse, minor child(ren) and/or physically handicapped or mentally disabled child(ren) will receive a benefit of 60% of the member's FAC.** |
| <p><b>*Surviving spouse must be married to the member on the date of death.</b></p> <p><b>**One-third of the benefit will be paid to the spouse &amp; two-thirds will be split equally between the children.</b></p> |   |

| Corrections Secondary<br>Surviving Spouse* with Minor Child(ren)   |   |
|--|---|
| <b>25 or more years of service</b>   | Surviving spouse, minor child(ren) and/or physically handicapped or mentally disabled child(ren) will receive a benefit of 75% of the member's FAC.** |
| <b>Less than 25 years of service</b>   | Surviving spouse, minor child(ren) and/or physically handicapped or mentally disabled child(ren) will receive a benefit of 60% of the member's FAC.** |
| <p><b>*Surviving spouse must be married to the member on the date of death.</b></p> <p><b>**One-third of the benefit will be paid to the spouse &amp; two-thirds will be split equally between the children.</b></p> |   |

**Intentional Act of Violence**

If a member's death resulted from an intentional act of violence, the surviving spouse, minor child(ren) and/or physically handicapped or mentally disabled child(ren) will receive a survivor benefit calculated at 100% of the member's final average compensation (FAC) **regardless of the amount of service credit the member had at the time of death.** This benefit will be split equally among the surviving spouse and eligible children. A surviving spouse is eligible for a benefit regardless of the length of the marriage and the benefit will not cease upon remarriage.

### Certifying Line of Duty

If the member's death is sustained in the line of duty, then the agency must answer the following questions on [Form 03-01: Application for Survivor Benefits](#):

1. Was the member killed as a result of an injury or accident on the job in the official performance of official duties?
2. If yes, was the member in or eligible to enroll in the Hazardous Duty, Corrections Primary, Corrections Secondary, Wildlife, or Harbor Police Plan and was the death due to an intentional act of violence? (If yes, [Form 03-01A: Certification of Death of Intentional Act of Violence](#) must be submitted to LASERS)

### THE APPLICATION PROCESS

The application process for non-line of duty members and active line of duty members is the same as the process for Regular plan members. For information and checklists pertaining to the survivor application process, refer to [Chapter 6: Survivor Benefits](#).



**Form 03-01: Application for Survivor Benefits**  
must be submitted to LASERS in its entirety (including page 2), or it will not be accepted.

## Frequently Asked Questions

### 1. Can a member who is currently in the Corrections Primary plan still elect to join the Corrections Secondary plan?

*Yes, a member in Corrections Primary plan can still elect to join the Corrections Secondary plan as well as the Hazardous Duty (HAZ) Plan.*

### 2. A member is hired into a hazardous duty position and has 10 years of service credit in the Corrections Secondary plan. In which retirement plan should this member be enrolled?

*The member may elect to join the HAZ Plan or elect to remain in his or her current retirement plan, Corrections Secondary. If the member elects to remain in Corrections Secondary plan, then he or she may still elect to join the HAZ Plan at a later date.*

### 3. If a member participates in DROP while enrolled in Corrections Primary retirement plan, in what plan will the member be enrolled if he or she continues to work after DROP?

*If a member of the Corrections Primary plan completes DROP on or after January 1, 2002, then he or she should automatically be enrolled in the Corrections Secondary retirement plan. If the member completed DROP prior to January 1, 2002, then he or she will remain in the Corrections Primary plan, with the ability to elect to join Corrections Secondary.*

### 4. Are all Adult Probation and Parole Officers eligible for the higher accrual rate?

*No, only members of the Correctional retirement plans who are Adult Probation and Parole Officers employed prior to January 1, 2002, and who retire or enter DROP as an Adult Probation and Parole Officer on or after July 1, 2014 will be eligible for the higher accrual rate.*

## Reference Material

### APPLICABLE FORMS

- [02-13: LASERS Acceptance Letter of Rollover Assets](#)
- [04-01: Disability Retirement Application](#)
- [04-01C: Certification of Disability Sustained from an Intentional Act of Violence](#)
- [03-01: Application for Survivor Benefits](#)
- [03-01A: Certification of Death from an Intentional Act of Violence](#)
- [16-01: Department of Public Safety & Corrections Election Agreement Employed Prior to 01/01/02](#)
- [16-03: Department of Public Safety & Corrections Upgrade invoice Request](#)
- [16-04: Certification of Adult Probation and Parole Officer Employment](#)

### APPLICABLE LAWS & RULES

(Note: this list is not exhaustive)

- [La R.S. 11:601](#) Application: Definitions
- [La R.S. 11:602](#) Eligibility for Membership
- [La R.S. 11:603](#) In Line of Service Disability
- [La R.S. 11:604](#) Survivor's Benefit for Members Killed in the Line of Duty
- [La R.S. 11:605](#) Transfer of Other Service Credit
- [La R.S. 11:606](#) Deferred Retirement Option Plan Participation
- [La R.S. 11:608](#) Retirement Purchase of Firearm
- [La R.S. 11:609](#) Purchase of Firearm; Retired Peace Officer

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

- [Chapter 26: Correctional Officers Hired Prior to January 1, 2011](#)

### APPLICABLE LASERS VIDEOS

- [What is your Retirement Plan and Retirement Eligibility?](#)

## How to Enroll and Terminate Members Using ESS

The Employee Self-Service (ESS) portal is designed to guide the Human Resources Personnel Officer through the process and alert him or her if any errors exist. All agencies have access to ESS and are encouraged to utilize this system.

### ENROLLING NEW AND EXISTING EMPLOYEES

① Log into ESS - go to the LASERS website and click on the "Employers" link. Once at the Employer Portal, there is a link to ESS. Each agency has a unique agency ID and password to use when logging into the system.

② Select "Member Enrollment"

**LASERS**  
LOUISIANA STATE EMPLOYEES'  
RETIREMENT SYSTEM

Available Forms: GET ADOBE ACROBAT READER **OPEN**

Educate Yourself Help Contact Us

**00000- AGENCY**

Welcome to SOLARIS, a state-of-the-art technology tool that will provide you with access to your LASERS employer reporting, employee enrollment and agency & personnel maintenance. SOLARIS is designed to improve your access to agency information, and improve the service that we are able to provide.

-LASERS

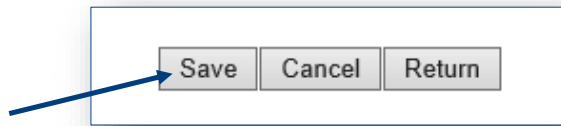
\* You may view detailed information and instructions by clicking on the help link at the top of each screen.

|   |  |
|---|--|
| <p><a href="#">Member Maintenance</a><br/>Agencies can change a member's enrollment data and demographic data using Member Maintenance.</p>     | <p><a href="#">Employer Reporting</a><br/>Employer reporting provides a portal for an agency to submit employer and employee contributions as well as change employee demographic information all on one screen.</p> |
| <p><a href="#">Member Enrollment</a><br/>Agencies can enroll an employee as a member using Member Enrollment.</p>                               | <p><a href="#">Opt 1A Rehired Retiree</a><br/>Agencies can enter monthly earnings and change demographic data using Opt 1A.</p>  |
| <p><a href="#">Employer Inquiry</a><br/>Agencies can view current and historical member information, including history with other agencies.</p> | <p><a href="#">Employer Maintenance</a><br/>Agencies can view and add employer contact information using Employer Maintenance.</p>   |
| <p><a href="#">Logout</a><br/>Exit ESS and return to the login page.</p>  |  |

- ③ Complete all necessary fields (\*designates a required entry)
- ❖ Demographic Information – required fields in this section include the **employee's** social security number, name, gender, address and date of birth. Other fields that are not required, but provide useful information, are the employee's evening phone number and work email address.
  - ❖ Enrollment Information
  - ❖ Enrollment Date\*— the enrollment date is the **employee's hire date**
  - ❖ Employment Type\*— this drop down menu lists all employment categories
  - ❖ Employment Begin Date—this field is only "required" if the Employment Type field is entered as Job Appointment, Temporary, Intermediate-WAE, Restricted or Emergency. The employment begin date should be entered as the employee's hire date. **This field should not be completed if the Employment Type is Regular (Prob/Perm).**
  - ❖ Employment End Date— this field is only "required" if the Employment Type field is entered as Job Appointment, Temporary, Intermediate-WAE, Restricted or Emergency. The employment end date should be entered as the *agency's intended end date for the position*, not the employee's employment expectation. **This field should not be completed if the Employment Type is Regular (Prob/Perm).**
  - ❖ Scheduled Hours Per Week\*— this field will determine if the employee is considered full-time or part-time
  - ❖ Work Period (month)\*— this field indicates the number of months that the employee works per year
  - ❖ Employee Classification\*— this field indicates whether the employee is Classified or Unclassified
  - ❖ Retirement Plan Code\*— to determine the employee's correct retirement plan, refer to the section *LASERS Membership Categories* and the flowchart *Determining a Retirement Plan* in Chapter 1 of this handbook. *LASERS Form 01-01: Membership Registration* is also a helpful guide to identifying the appropriate retirement plan for a new employee.

| Demographic Information         |   |                                 |                                 |
|---------------------------------|---|---------------------------------|---------------------------------|
| Agency:                         | * | <input type="text"/>            |                                 |
| SSN:                            | * | <input type="text"/>            | Birth Date:                     |
| Gender:                         | * | <input type="text"/>            | *                               |
| First Name:                     | * | <input type="text"/>            | <input type="text"/> MM/DD/YYYY |
| Last Name:                      | * | <input type="text"/>            | Prefix:                         |
| Address Line 1:                 | * | <input type="text"/>            | <input type="text"/>            |
| City:                           | * | <input type="text"/>            | Middle Name:                    |
| Zip Code:                       | * | <input type="text"/>            | <input type="text"/>            |
| Evening Phone:                  |   | <input type="text"/>            | Suffix:                         |
|                                 |   |                                 | <input type="text"/>            |
|                                 |   |                                 | Address Line 2:                 |
|                                 |   |                                 | <input type="text"/>            |
|                                 |   |                                 | State:                          |
|                                 |   |                                 | *                               |
|                                 |   |                                 | <input type="text"/>            |
|                                 |   |                                 | Daytime Phone:                  |
|                                 |   |                                 | <input type="text"/>            |
|                                 |   |                                 | Work Email Address:             |
|                                 |   |                                 | <input type="text"/>            |
| Enrollment Information          |   |                                 |                                 |
| Enrollment Date:                | * | <input type="text"/>            | Employment Type:                |
|                                 |   | <input type="text"/> MM/DD/YYYY | *                               |
| Employment Begin Date:          |   | <input type="text"/>            | <input type="text"/>            |
|                                 |   | <input type="text"/> MM/DD/YYYY | Employment End Date:            |
| Scheduled Hours Per Week:       | * | <input type="text"/>            | *                               |
|                                 |   | <input type="text"/>            | <input type="text"/> MM/DD/YYYY |
| Employee Classification:        | * | <input type="text"/>            | Work Period (Month):            |
|                                 |   | <input type="text"/>            | *                               |
| Retirement Plan Code:           | * | <input type="text"/>            | <input type="text"/>            |
|                                 |   | <input type="text"/>            | Dual Employment:                |
|                                 |   |                                 | <input type="checkbox"/>        |
| Additional Information          |   |                                 |                                 |
| Termination Date:               |   | <input type="text"/>            | Location Code:                  |
|                                 |   | <input type="text"/> MM/DD/YYYY | <input type="text"/>            |
| ISIS Employee/Person ID Number: |   | <input type="text"/>            |                                 |

④ Select the save button



- ❖ Successful Enrollment – a message will appear that the enrollment was successful and the screen will clear for another enrollment to be entered. **(Note: Although a reminder message may appear in red at the bottom of the screen, if the successful message appears, then the enrollment was saved.)**

Save Successful. Please see if there are any Reminder messages.

- ❖ Unsuccessful Enrollment – a red error message will appear at the top of the screen. The system will not allow the enrollment to be successfully completed until the issue is addressed and resolved.

Please correct the following

- Error: Enrollment is invalid because the member's earliest date making them eligible for membership of 2/14/2017 is not between 7/1/1947 and 6/30/2006 as required for RGL1.

## TERMINATING EMPLOYEES

① Agencies that enroll employees through ESS must also terminate employees through ESS. Log into ESS - go to the LASERS website and click on the "Employers" link. Once at the Employer Portal, there is a link to ESS. Each agency has a unique agency ID and password to use when logging into the system.

② Select "Member Maintenance"

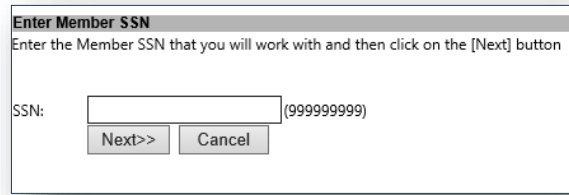
Welcome to SOLARIS, a state-of-the-art technology tool that will provide you with access to your LASERS employer reporting, employee enrollment and agency & personnel maintenance. SOLARIS is designed to improve your access to agency information, and improve the service that we are able to provide.

-LASERS

\* You may view detailed information and instructions by clicking on the help link at the top of each screen.

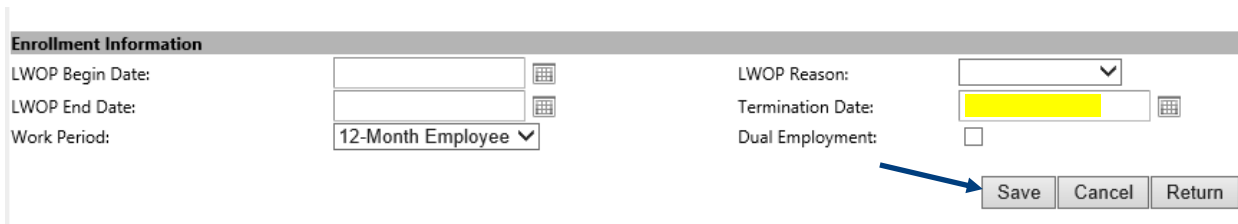
|  |   |
|--|---|
| <p><a href="#">Member Maintenance</a><br/>Agencies can change a member's enrollment data and demographic data using Member Maintenance.</p> <p><a href="#">Member Enrollment</a><br/>Agencies can enroll an employee as a member using Member Enrollment.</p> <p><a href="#">Employer Inquiry</a><br/>Agencies can view current and historical member information, including history with other agencies.</p> <p><a href="#">Logout</a><br/>Exit ESS and return to the login page.</p> | <p><a href="#">Employer Reporting</a><br/>Employer reporting provides a portal for an agency to submit employer and employee contributions as well as change employee demographic information all on one screen.</p> <p><a href="#">Opt 1A Rehired Retiree</a><br/>Agencies can enter monthly earnings and change demographic data using Opt 1A.</p> <p><a href="#">Employer Maintenance</a><br/>Agencies can view and add employer contact information using Employer Maintenance.</p> |
|--|---|

③ Enter the employee's Social Security Number



The screenshot shows a dialog box titled "Enter Member SSN". Below the title, it says "Enter the Member SSN that you will work with and then click on the [Next] button". There is a text input field for "SSN:" followed by a mask "(999999999)". Below the input field are two buttons: "Next>>" and "Cancel".

④ Under "Enrollment Information" enter the employee's termination date and click "Save"

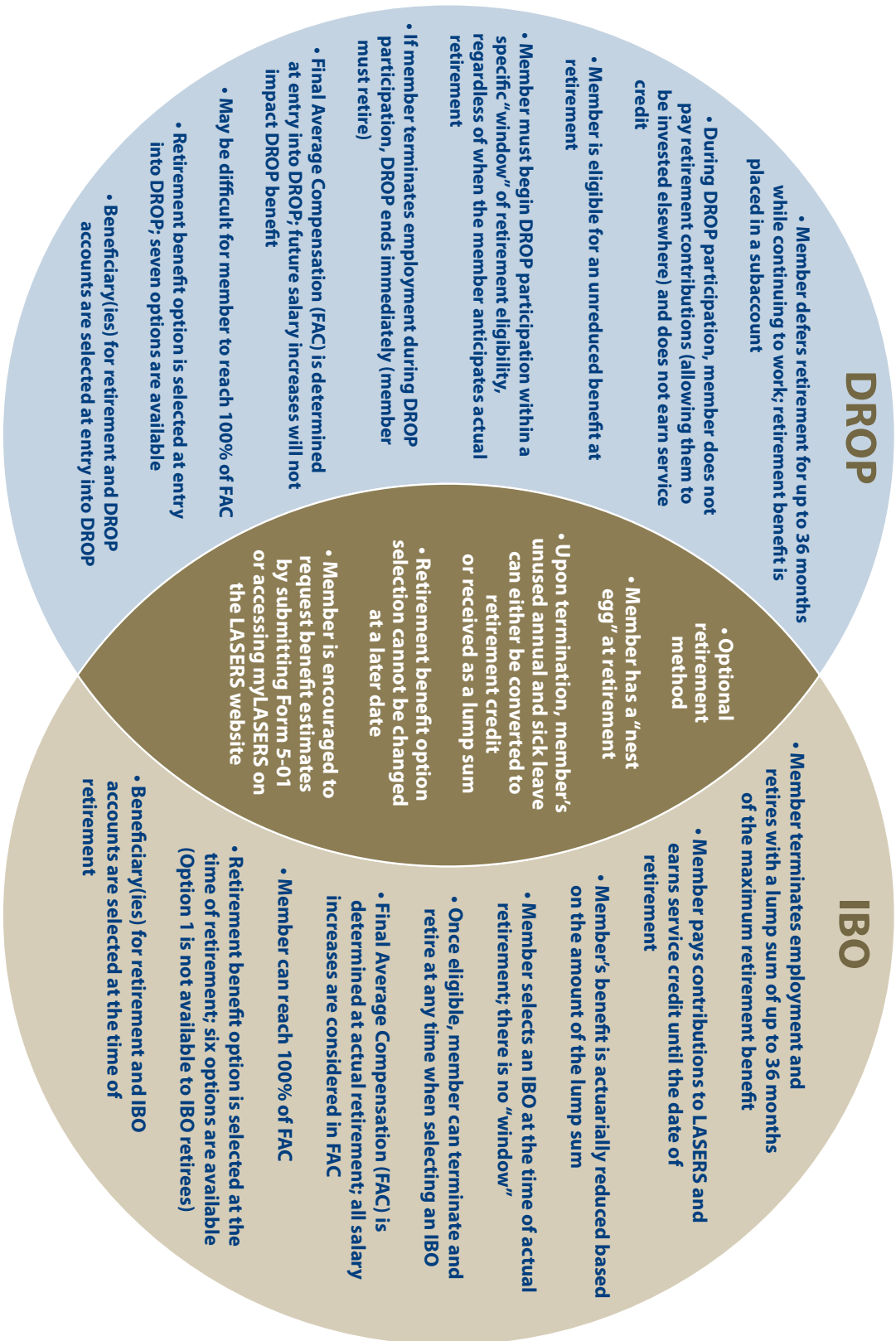


The screenshot shows the "Enrollment Information" section of a form. It includes the following fields:

- LWOP Begin Date: [Date Picker]
- LWOP End Date: [Date Picker]
- Work Period: 12-Month Employee (dropdown menu)
- LWOP Reason: [Dropdown Menu]
- Termination Date: [Date Picker] (highlighted in yellow)
- Dual Employment:

At the bottom right, there are three buttons: "Save", "Cancel", and "Return". A blue arrow points to the "Save" button.

# DROP vs. IBO: WHAT'S THE DIFFERENCE?



## DROP vs. IBO: WHAT'S THE DIFFERENCE?

*Wanda is considering retirement options and is unsure if she should participate in DROP or retire with an IBO. The following examples compare retirement after DROP participation to retirement with an IBO. How would these options impact her retirement benefit?*

**Example:** Wanda enters DROP with 30 years of service on March 2, 2013 and ends DROP participation on March 1, 2016. She enters DROP with a final average compensation (FAC) of \$50,000 and chooses the Maximum Option. Her DROP retirement benefit will be calculated as follows:

$$\begin{aligned} \text{Accrual Rate} \times \text{Years of Service} &= \$50,000 \times 2.5\% \times 30.00 = \\ \text{Maximum DROP Benefit} &= \mathbf{\$37,500 \text{ per year } (\$3,125 \text{ monthly})} \end{aligned}$$

While she continues to work during DROP participation, a monthly amount of \$3,125 will be deposited into her DROP account. She elected to participate in DROP for 36 months, so at the end of DROP participation, she will have **\$112,500 in her DROP account.**

If Wanda retires immediately after completing DROP, she will not earn a supplemental retirement benefit. She has 1.10 years of unused leave that she chooses to convert to service credit. Her final retirement benefit will be calculated as follows:

$$\begin{aligned} \text{Pre-DROP FAC} \times \text{Accrual Rate} \times \text{Years of Service} &= \$50,000 \times 2.5\% \times 1.10 = \\ \text{After-DROP Leave Conversion} &= \mathbf{\$1,375 \text{ per year } (\$114.58 \text{ monthly})} \end{aligned}$$

Her monthly retirement benefit will be calculated by adding her DROP benefit and her unused leave benefit:  $\$3,125 + \$114.58 = \$3,239.58$ . Therefore, Wanda will receive **\$3,239.58 per month until her death.**

**Lifetime retirement benefit = \$3,239.58 per month**  
**DROP account balance = \$112,500**

**Example:** Wanda retires with an IBO at age 55 with 33 years of service on March 1, 2016. Her final average compensation (FAC) is \$50,000. She selects the Maximum Option and the maximum IBO amount (36 months). She has 1.10 years of unused leave that she chooses to convert to service credit. Her retirement benefit will be calculated as follows:

$$\begin{aligned} \text{Accrual Rate} \times \text{Years of Service} &= \$50,000 \times 2.5\% \times 33.00 = \\ \text{Maximum Benefit} &= \mathbf{\$41,250 \text{ per year } (\$3,437.50 \text{ monthly})} \end{aligned}$$

$$\begin{aligned} \text{Accrual Rate} \times \text{Years of Leave Conversion} &= \$50,000 \times 2.5\% \times 1.10 = \\ \text{FAC} \times \text{Rate} \times \text{Service} &= \mathbf{\$1,375 \text{ per year } (\$114.58 \text{ monthly})} \end{aligned}$$

*(Added to Maximum Benefit)*

**Maximum Monthly Benefit: \$3,437.50 + \$114.58 = \$3,552.08**

To obtain Wanda's final (reduced) retirement benefit, her age and the approximate cost to receive the IBO lump sum are factored into the calculation. Wanda's age of 55 yields an approximate monthly cost (reduction) of \$940.05. This reduction will be subtracted from her maximum benefit to determine the actuarially reduced monthly maximum benefit:

$$\begin{aligned} \text{Maximum Benefit} - \text{IBO Reduction} &= \$3,552.08 - \$940.05 = \\ \text{Reduced Maximum Benefit} &= \mathbf{\$31,344.36 \text{ per year } (\$2,612.03 \text{ monthly})} \end{aligned}$$

Since Wanda chose the maximum IBO amount, she will receive a lump-sum payment of **\$127,874.88**. Her monthly benefit is actuarially reduced based on the amount of the lump sum. Therefore, Wanda will receive **\$2,612.03 per month until her death.**

**Lifetime retirement benefit = \$2,612.03 per month**  
**IBO lump sum amount = \$127,874.88**

## LASERS Membership Categories

### QUICK REFERENCE GUIDE

#### Current Membership Categories

*New employees hired into LASERS, who have never contributed to one of the four state retirement systems\*\* prior to July 1, 2015, must be enrolled in one of the following categories.*

| Class  | Contribution Rate | Accrual Rate | Plan Abbreviation | LaGov Code |
|--|-------------------|--------------|-------------------|------------|
| <b>Regular Employees</b><br>Hired on/after 7/1/2015        | 8.0%              | 2.5%         | RGL4              | LAS5       |
| <b>Judges</b><br>First elected on/after 7/1/2015           | 13%               | 2.5% + 1.0%  | JUD3              | N/A        |
| <b>Hazardous Duty Employees</b><br>Hired on/after 1/1/2011 | 9.5%              | 3.33%*       | HAZP              | LAHD       |

#### Other Rank & File Membership Categories

*Membership in the following categories is generally closed to new employees; however, new employees may belong to one of these classes if they had membership in one of the four state retirement systems\*\* prior to July 1, 2015.*

| Class   | Contribution Rate | Accrual Rate | Plan Abbreviation | LaGov Code |
|---|-------------------|--------------|-------------------|------------|
| <b>Regular Employees</b><br>Hired before 7/1/2006                 | 7.5%              | 2.5%         | RGL1              | LASE       |
| <b>Regular Employees</b><br>Hired on/after 7/1/2006 to 12/31/2010 | 8.0%              | 2.5%         | RGL2              | LAS6       |
| <b>Regular Employees</b><br>Hired on/after 1/1/2011 to 6/30/2015  | 8.0%              | 2.5%         | RGL3              | LAS1       |

**\* The last 10 years of service credit must be worked in a hazardous duty eligible position for the member to receive a 3.33% accrual rate for all years worked in, or transferred AND upgraded, to the HAZ Plan. For more information, refer to Chapter 17: Hazardous Duty Services Plan (HAZ Plan).**

**\*\*The four state retirement systems are LASERS, Teachers' Retirement System of Louisiana (TRSL), Louisiana School Employees' Retirement System (LSERS), and Louisiana State Police Retirement System (LSPRS).**

**For more detailed information on each retirement plan, please refer to Chapter 1: Membership and Enrollment. Historical contribution rates for each plan can be found at [www.lasersonline.org](http://www.lasersonline.org) in the document "Historic Agency Contribution Rates" located in the "Employer" section of the website.**

### Specialty Plan Membership Categories

*Membership in the following categories is generally closed to new employees; however, new employees may belong to one of these classes if they had membership in one of the four state retirement systems\*\* prior to July 1, 2015.*

| Class  | Contribution Rate | Accrual Rate | Plan Abbreviation | LaGov Code |
|--|-------------------|--------------|-------------------|------------|
| <b>Corrections Primary</b><br>Hired prior to 1/1/2002                                | 9.0%              | 2.5%         | COR1              | LCO1       |
| <b>Corrections Secondary</b><br>Hired on/after 1/1/2002 to 12/31/2010                | 9.0%              | 3.33%        | COR2              | LCO2       |
| <b>Peace Officer</b><br>Hired on/after 7/1/2006 to 12/31/2010                        | 9.0%              | 3.33%        | POPS              | LCPO       |
| <b>Wildlife Agents</b><br>Hired prior to 1/1/2011                                    | 9.5%              | 3.33%        | WLO2              | LASW       |
| <b>Bridge Police</b><br>Hired prior to 7/1/2006                                      | 8.5%              | 2.5%         | BRG1              | LABP       |
| <b>Bridge Police</b><br>Hired on/after 7/1/2006 to 12/31/2010                        | 8.5%              | 2.5%         | BRG2              | LAB6       |
| <b>Alcohol &amp; Tobacco Control Agents</b><br>Hired on/after 7/1/2007 to 12/31/2010 | 9.0%              | 3.33%        | ATCR              | LATC       |
| <b>New Orleans Harbor Police</b><br>Hired prior to 7/1/2014                          | 9.0%              | 3.33%        | HARP              | N/A        |
| <b>Judges &amp; Court Officers</b><br>Hired/First elected prior to 12/31/2010        | 11.5%             | 2.5% + 1.0%  | JUDG              | LAMP       |
| <b>Judges</b><br>First elected on/after 1/1/2011 to 6/30/2015                        | 13.0%             | 2.5% + 1.0%  | JUD2              | LAMP       |
| <b>Appellate Law Clerks</b><br>Hired before 7/1/2006                                 | 7.5%              | 2.5%         | APL1              | N/A        |
| <b>Appellate Law Clerks</b><br>Hired on/after 7/1/2006 to 12/31/2010                 | 8.0%              | 2.5%         | APL2              | N/A        |

For information on **Legislator, Legislator 2, Special Legislative Employees, and State Treasurer** plans, please contact LASERS at 800.256.3000 or 225.922.0600.

**For more detailed information on each retirement plan, please refer to Chapter 1: Membership and Enrollment. Historical contribution rates for each plan can be found at [www.lasersonline.org](http://www.lasersonline.org) in the document "Historic Agency Contribution Rates" located in the "Employer" section of the website.**

## Glossary of Terms

**Accrual rate**—the proportion of a member's final average compensation (expressed as a percentage) that the member receives for each year of service in the retirement system. The accrual rate is determined by the retirement plan in which the member is enrolled.

**Actuarial transfer**—the transfer of service credit from one retirement system to another. This may involve a cost to the member.

**Actuary**—one who calculates pension and annuity rates based on risk factors obtained from experience tables.

**Air Time**—service credit that is purchased for time that a member did not actually work and contribute to LASERS. A member may purchase a maximum of five combined years of Air Time (purchased in one-year increments), which can be used to increase a member's retirement benefit and/or eligibility for retirement.

**Anti-spiking rate**—the rate at which a member's final average compensation (FAC) may be capped in order to avoid excessive spikes in compensation. The rate is determined by the retirement plan in which the member is enrolled.

**Average compensation** (also referred to as "**Final Average Compensation**" or **FAC**)—the average earned compensation received during 36 or 60 highest months of successive employment, or the highest joined months of compensation if interruption of service occurred. The average compensation for qualified part-time service is based on the full-time base pay that would have been received if employment had been full-time.

**Base pay**—a member's annual salary reported on a monthly basis. Regardless of the type of employee, monthly base pay should always be reported to LASERS as one-twelfth (1/12) of the member's annual *full-time* salary. Base pay shall not include overtime, per diem, differential pay, premium pay, or payment-in-kind. *See also "Emolument."*

**Beneficiary**—at the death of an active member, a person or trust who receives the balance of the member's contributions if no survivor benefits are payable. At the death of a retiree, depending on the retirement option chosen, the beneficiary receives a monthly benefit payment.

**Computation credit**—the earned service credit that is used to compute the amount of a member's retirement or disability benefit. A member cannot earn computation credit unless contributions are paid to LASERS. *See also "Service credit."*

**Cost-of-Living Adjustment (COLA)**—a system-generated, permanent increase to a member's retirement benefit. System-generated COLAs are funded by the retirement system upon legislative approval. *See also "Self-Funded COLA."*

**Deferred Retirement Option Plan (DROP)**—an optional retirement method that allows a member to defer his or her retirement benefit for a maximum period of 36 months while he or she continues to work.

**Disability retirement**—a retirement method available to members who become totally disabled and incapable of performing their normal job duties while actively employed in state service. Disability retirement is not available to members who are eligible for Regular retirement or Regular retirement with an actuarially reduced benefit. *See also "Line of Duty disability."*

**DROP account**—the account credited with DROP benefits during the participation period. Once the DROP participation period has ended, the DROP account is transferred from LASERS to the Self-Directed Plan (SDP), which is managed by the third-party administrator, EMPOWER Retirement™.

**DROP beneficiary**—the person designated as beneficiary of the member's DROP account. The DROP beneficiary is not required to be the same person as the participant's retirement beneficiary and may be changed at any time. If a married member designates someone other than his or her spouse as beneficiary, *Form 04-04: Spousal Consent* is required.

**DROP benefit**—the monthly amount credited to the participant's DROP account during participation. It also becomes the base benefit upon retirement, but does not include annual or sick leave that is converted to retirement credit when the participant retires.

**DROP participation period**—the time period chosen by the DROP participant beginning with the date of entry into DROP and continuing for up to 36 months. During this time, the participant continues employment and the DROP benefit is credited to the DROP account. The participant and employer cease to contribute to LASERS; therefore, state service during this period cannot be included in calculating total service credit for retirement.

**DROP supplemental benefit**—the benefit comprised of additional post-DROP service credit earned after the DROP participation period and the conversion of any unused leave, if applicable. It may also include credit for any service purchased during the DROP participation period or while working after DROP. The member's total retirement benefit is the sum of the DROP benefit and the supplemental benefit.

**Earned compensation ("earnings")**—the base pay plus certain emoluments earned by an employee for a given time period that is reported to LASERS on a monthly basis. It does not include overtime, per diem, differential pay, premium pay, or payment-in-kind. Regardless of the type of employee, earnings should be reported as the actual amount that an employee earned during the reported time period. *See also "Emolument."*

**Eligibility credit**—the service credit that is used to determine a member's entitlement to a retirement or disability benefit provided by LASERS. It is also used to determine when a survivor is qualified for a retirement benefit. *See also "Service credit."*

**Emergency employee**—see **"Part-time employee."**

**Emolument**—a cash compensation which is subject to federal and state income taxes, paid to an employee in addition to the employee's salary, but shall not include overtime, per diem, differential pay, premium pay, or payment-in-kind. *Emoluments should be included in the employee's base pay.*

**Employee contributions (EEs)**—the percentage of a member's earnings that the member pays to LASERS on a monthly basis. The percentage is determined by the retirement plan in which the member is enrolled.

**Employer contributions (ERs)**—the percentage of a member's earnings that the member's agency pays to LASERS on a monthly basis. The amounts are calculated based on the member's retirement plan and set annually by the Public Retirement Systems' Actuarial Committee (PRSAC).

**Final Average Compensation (FAC)**—see **"Average compensation."**

**Full-time employee**—any employee who has a normal working schedule of greater than 20 hours per week and performs services under an employment arrangement with the employer of more than two years in duration, or an employee who normally works on a full-time basis for five months or more in a year.

**Initial Benefit Option (IBO)**—an optional retirement plan that allows a member to receive a lump sum equivalent of up to 36 months of his or her maximum monthly retirement benefit. The monthly benefit will be actuarially reduced based on the member's age and the amount of the lump sum chosen.

**IBO account**—the account credited with IBO funds after the member retires. For members eligible to retire after January 1, 2004, the IBO account is transferred from LASERS to the Self-Directed Plan (SDP), which is managed by the third-party administrator, EMPOWER Retirement™. Members eligible to retire on or before January 1, 2004, have the option to either leave their IBO account at LASERS or transfer it to the Self-Directed Plan (SDP).

**IBO beneficiary**—the person designated as beneficiary of the member's IBO account. The IBO beneficiary is not required to be the same person as the member's retirement beneficiary and may be changed at any time. If a married member designates someone other than his or her spouse as beneficiary, *Form 04-04: Spousal Consent* is required.

**In state service**—refers to a member who is currently employed and has not terminated from state employment.

**Intermittent employee**—an employee who works an indefinite schedule on an "as needed" basis. *See also "Part-time employee."*

**Irrevocable**—incapable of being retracted or revoked; irreversible.

**Job appointment**—a situation in which an employee is employed for a fixed period not to exceed two years.

**Line of Duty disability**—total and permanent disability of a member resulting from injury received in the line of duty or official duties. Available to members of most hazardous duty plans (Corrections, Wildlife, HAZ Plan, and New Orleans Harbor Police).

**Minor child**—an unmarried child less than 18 years of age or an unmarried student less than 23 years of age.

**Nine-month employee**—an employee who works nine months in an academic or calendar year.

**Out of state service**—refers to a member who has previously contributed, but has terminated employment and is not currently contributing to LASERS.

**Part-time employee**—any employee who has a normal working schedule of 20 hours or less per week, or any employee who is seasonal or temporary. This would also include *emergency employees*.

**Permanent Benefit Increase (PBI)**—see "**Cost-of-Living Adjustment (COLA)**" and "**Self-Funded COLA.**"

**Physically handicapped or mentally disabled child**—a child, regardless of age, who is certified incapacitated at the time of the member's death and is dependent upon the surviving spouse or other legal guardian.

**Reciprocal recognition of service**—service credit in a retirement system is recognized by other public retirement system(s) to determine and attain eligibility for regular retirement, disability retirement, and survivor benefits in each respective system.

**Re-employed retiree**—a member who has retired from LASERS and returned to state service in a LASERS eligible position.

**Refund**—the withdrawal of all accumulated contributions at least 30 days after a member's termination from state service. Acceptance of a refund cancels all of the member's rights in LASERS.

**Regular retirement**—retirement based on the member's eligibility requirements as described by his or her applicable retirement plan.

**Regular retirement with an actuarially reduced benefit**—an optional retirement method that applies a reduction to a member's monthly benefit based on the member's age and number of months he or she is away from regular retirement eligibility. The reduction factor is provided by the LASERS Actuary. This option is not available to members who participate in DROP or retire with an IBO.

**Required Minimum Distribution (RMD)**—the minimum yearly amount, set by federal law, that a member must withdraw from his or her IBO or DROP account once the member has attained age 70½, if born before 7/1/1949, or in the year the member turns 72, if born on or after 7/1/1949, provided he or she has retired and is receiving monthly retirement benefits. The member must also be retired and receiving monthly retirement benefits for the withdrawal to be required.

**Restricted appointment**—a situation in which an employee is employed for no greater than six months.

**Retirement beneficiary**—a person named by the retiree as recipient of a benefit payable in the event of the retiree's death. This person is not required to be the same as the DROP or IBO beneficiary(ies). Once named, the retirement beneficiary cannot be changed after retirement, unless the retiree chose the Maximum option or Option 1. If the original beneficiary is deceased or the retiree has divorced, the retiree may request to have his or her benefit increased to the maximum amount (refer to Chapter 9: Retirement Options & Cost-of-Living Adjustments).

**Retirement benefit**—the lifetime monthly benefit received by a member who has ended employment and retired. This benefit may include the conversion of unused annual and sick leave to retirement credit, and for DROP participants, it may include additional service earned or purchased after the DROP participation ends. *See also "Supplemental benefit."*

**Retirement benefit estimate**—an estimated calculation of benefits provided to members who are within 18 months of eligibility for any type of retirement.

**Retirement benefit option**—one of seven options from which a member can choose at retirement. All but two options (Maximum and Option 1) leave a lifetime benefit to a designated beneficiary(ies) in the event of the member's death.

**Seasonal employee**—an employee who normally works on a full-time basis for less than five months in a year.

**Self-Directed Plan (SDP)**—a 401(a) retirement plan, under IRS rules, established by LASERS and held by the third-party administrator, EMPOWER Retirement™. Members eligible to retire after January 1, 2004, are required to have their DROP or IBO accounts transferred to the SDP. Members eligible to retire on or before January 1, 2004, have the option to either leave their DROP or IBO accounts at LASERS or transfer them to the SDP.

**Self-Funded COLA**—a two and one-half percent cost-of-living adjustment granted annually to a retiree after he or she reaches age 55. It is funded by the retiree through the actuarial reduction of his or her monthly retirement benefit. The Self-Funded COLA must be selected by the member at application for retirement or entry into DROP and is an irrevocable decision.

**Service credit**—the total of all earned, transferred, reciprocated, and purchased credit that is used to determine a member's eligibility for retirement and/or used to calculate his or her retirement benefit. A member begins to earn service credit upon enrollment in LASERS and payment of employee contributions to the system. *See also "Computation credit" and "Eligibility credit."*

**Sheltered contributions**—employee contributions paid into LASERS after January 1, 1984, which were not taxed. This may include contributions from purchases of additional service credit, transfers of service, or repayments of refunded service credit that are products of a rollover from an IRA or other qualified retirement plan.

**Spousal consent**—consent required by the spouse of a married member who selects a retirement benefit option that does not leave at least 50 percent of his or her retirement benefit to said spouse.

**Student**—an unmarried person under age 23 enrolled full-time in a high school, vocational-technical school, college, or university.

**Supplemental benefit**—a benefit that is added to the original base benefit when one of the following occurs: 1) additional service credit is earned or purchased after DROP participation has ended; or 2) a re-employed retiree retires after working for 36 or more successive months. *See also "Retirement benefit."*

**Surviving spouse**—a person who was legally married to a member of LASERS on the member's date of death. Common law marriages are not recognized by Louisiana law.

**Survivor**—a spouse and/or minor child of a member at the time of the member's death.

**Survivor benefit**—payment to the surviving spouse, minor children, and physically or mentally handicapped children when an active member dies. Eligibility requirements must first be met in order to receive a survivor benefit.

**Temporary employee**—an employee performing services under an employment arrangement with the employer of two years or less in duration.

**Ten-month employee**—an employee who works 10 months in an academic or calendar year.

**Testamentary trust**—a trust created or authorized through a last will and testament, but not implemented until after the death of the individual who creates and funds the trust.

**Tutor**—a person who has the legal authority to manage a minor child's financial affairs. Parents are the natural tutors of a child. **Tutorship** can also be appointed by the court.

**Twelve-month employee**—an employee who works 12 months in an academic or calendar year.

**Unsheltered contributions**—employee contributions paid into LASERS before January 1, 1984, which were taxed. This may include contributions from purchases of additional service credit, transfers of service, or repayments of refunded service credit. Certain employee contributions from purchases of military service may also be considered unsheltered.

**WAE (when actually employed) employee**—an employee who works on an "as needed" basis. *See also "Part-time employee."*

*The photos featured within the Member's Guide to Retirement were selected from a Photo Submission Contest held by LASERS. Each photographer is either a LASERS employee, member, or beneficiary. Thank you to all of our members and retirees for submitting photographs in the competition.*

**Cover & Back Cover** – "Kite" by Jeanie Rhea features the Louisiana State Capitol in Baton Rouge. Jeanie is a retired member from the Department of Children and Family Services.



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# LASERS

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