

SUBJECT: Deferred Retirement Option Plan

DATE ADOPTED BY ADVISORY GROUP: November 23, 2009

COMMISSION ACTION: _____ DATE: _____

RECOMMENDATION: The Deferred Retirement Option Plans of the Louisiana State Employees' Retirement System, the Teachers' Retirement System of Louisiana, and the Louisiana School Employees' Retirement System should be closed effective January 1, 2015. Any state employee whose membership in the Louisiana State Employees' Retirement System is governed by Act 75 of the 2005 Regular Session should not be permitted to participate in the plan. Any person who enters the plan applicable to his or her system on or after January 1, 2013, should sever employment upon completion of participation in the plan. Any person who is eligible to enter the plan on or before January 1, 2015, and who has not submitted an application to enter the plan on or before January 1, 2015, should be prohibited from participation in the plan. The retirement systems should provide for early application to enter the plan for those members whose eligibility begins near the termination date of the plan but who may wish to begin participation on a date after January 1, 2015, but in no case shall such participation extend beyond the legally permissible time limitations.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>The Deferred Retirement Option Plans of the state retirement systems should be closed effective January 1, 2015. Any state employee whose membership in the Louisiana State Employees' Retirement System is governed by Act 75 of the 2005 Regular Session should not be permitted to participate in the plan. Any person who enters the plan applicable to his or her system on or after January 1, 2013, should sever employment upon completion of participation in the plan. Any person who is eligible to enter the plan on or before January 1, 2015, and who has not submitted an application to enter the plan on or before January 1, 2015, should be prohibited from participation in the plan. The retirement systems should provide for early application to enter the plan for those members whose eligibility begins near the termination date of the plan but who may wish to begin participation on a date after January 1, 2015, but in no case shall such participation extend beyond the legally permissible time limitations.</p>	<p>Legislature; retirement systems</p>	<p>To provide agencies with better data for agency succession and strategic workforce planning.</p>	<p>Statutory change; possible rules changes</p>	<p>Allows individuals to plan for retirement and agencies to plan for succession with more certainty; may have a slight cost for years from 2013 to 2018, but otherwise should be cost-neutral.</p>	