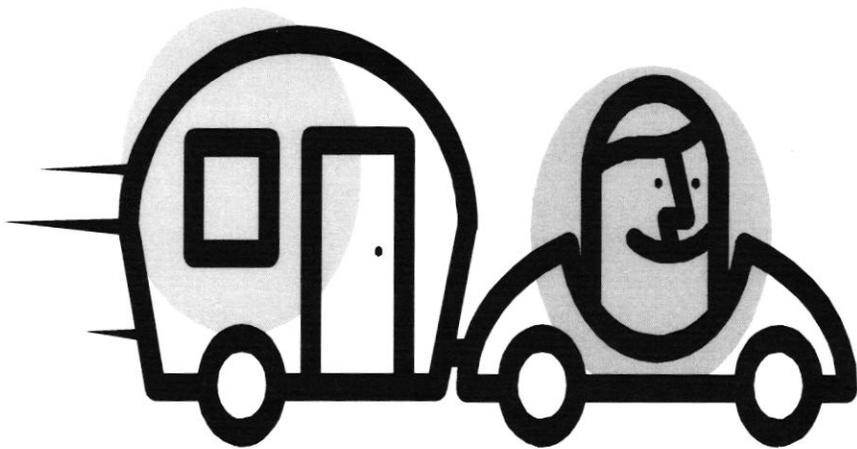


# Louisiana Assessors' Retirement Fund



# Reporting of Earnings and Contributions

## Payroll List Report

### Accuracy and Timely Remittance of Payroll List

- FAC= Final Average Compensation or average of earnings
- Due by the 10<sup>th</sup> of the month following the reporting period
- Late remittance could delay a new retirees' 1<sup>st</sup> retirement benefit check.
- Newly hired employees should be added
- Terminated or retired employees should be removed
- Changes in salaries/Earnings:

Reduced earnings because of Leave without Pay or Docked time results in a Break in Service.

Raises or increases in salary

Do not include non-recurring Earnings:

Overtime

Bonus checks

Clothing or car allowances

Unused annual or sick leave time

### **Re-employment of a Retiree**

Each office is now required to submit a monthly report to the retirement system if any retirees are working in their offices, part-time. Limited to no more than one hundred working days during any calendar year, or the equivalent thereof (800 hours).

## **New Employees**

New Hire Forms can be found at [www.louisianaassessors.org](http://www.louisianaassessors.org), under Retirement, marked with an asterisk.

Membership Application Include date of hire

Proof of age (Driver's License or Certificate of Birth)

If married, copy of marriage license/certificate

SSA 1945 form

Disclosure Regarding Leave of Absence

Benefit Forfeiture Form

## **Terminated Employees**

Please send our office written notification, including name and termination date

## **Change Forms**

Member's Request for Change Form-must include an effective date and must be signed by employee.

Name Change, due to marriage will require a copy of the marriage certificate

Change of Address

Beneficiary Change , requires 2 witnesses

## **Salary Changes**

Salary Change Notification completed and signed by Assessor, Annually we (Insurance and Retirement) request report, but at any time during year, when increases are given, please provide timely

## **Request for a Refund**

Request for Refund of Accumulated Contributions form, must be signed/certified by Assessor. Must wait 60 days from termination before refund will be paid; all earnings and contributions should be reported by then.

## **Transfers between systems**

Transfers of service time and contributions between other LA State or Statewide Retirement systems; Application of Transfer of Creditable Service. Cost Calculations are performed by actuary.

## Retirement Procedures:

Request for Statement of Benefits, may be requested within 45 days of retiring without a fee. Additional or recalculation requests will be assessed a fee, as stated in the fee schedule.

System actuary will perform the benefit calculation. LARF will communicate the calculations back to you

### **Final Retirement forms:**

Application for Retirement (may require spousal consent/notarization and Assessor certification)

Authorization for Direct Deposit (to be completed by Bank)

W-4P (Federal withholding statement)

BACK-DROP Distribution Request (if applicable)

## **Monthly Retirement Benefit Payments**

Monthly retirement benefit checks to retirees are paid once a month by ACH or Direct Deposit.

Currently 574 retirees

## **NORMAL MONTHLY RETIREMENT BENEFIT OPTION PLANS TO SELECT AT RETIREMENT**

Maximum Plan  
Option 1

Pays a larger monthly benefit, but does not provide a monthly benefit to a beneficiary after retiree's death

Option 2  
Option 2 Popup

Surviving Spouse Benefit  
Retiree's monthly benefit is reduced from Maximum, but upon death of retiree, surviving spouse receives lifetime benefit

Option 3  
Option 3 Popup

When requesting benefit calculations from actuary, prior to retirement, you may wish to have more than one option type calculated without a charge. But, on Retirement Application only ONE election is allowed and it is an irrevocable election, cannot be changed after retiring and your named surviving spouse cannot change.

## Questions:

1. How many years does one have to work to be eligible to retire?

Hired on or before September 30, 2013	Hired on or after October 1, 2013
<ul style="list-style-type: none"><li>• 12 years or more of creditable service and has attained the age of 55</li></ul>	<ul style="list-style-type: none"><li>• 12 years or more of creditable service and has attained the age of 60</li></ul>
OR	OR
<ul style="list-style-type: none"><li>• 30 or more years of creditable service at any age</li></ul>	<ul style="list-style-type: none"><li>• 30 or more years of creditable service and has attained the age of 55</li></ul>

“Work” vs creditable service; creditable service is determined by the actuary, taking into account any Leave without Pay

This is Retirement eligibility only; Insurance premium coverage has different requirements.

# Questions

2. Do you have a formula to calculate retirement income?

LA R. S. 11:1422. Computation of normal retirement benefit

## Maximum Benefit=FAC X Accrual Rate X Years of Service

FAC = Final Average Compensation; highest 36 or 60 consecutive months of earnings, averaged. EXCLUDES 'last months' earnings' if electing Back-DROP

Hired on or before 9/30/2006	Hired on or after 10/1/2006
FAC=Average of the highest 36 consecutive months of earnings	FAC=Average of the highest 60 consecutive months of earnings

Accrual Rate: 3.333% or 3.0%

Transferred Service time from another system has its corresponding accrual rate.

Hired on or before 9/30/2013	Hired on ore after 10/1/2013
Accrual Rate = 3.333%	Accrual Rate = 3.0 % (if 30+yrs=3.333%)

Years of Service: Credit for all service rendered for which contributions have been paid and not withdrawn  
 (EXCLUDES months elected as Back-DROP)  
 (EXCLUDES Leave without Pay/Docked Time)

Option 2, Opt 2 PU, Opt 3, Opt 3PU =  % of Maximum

% is found in the Option Factor chart, from actuary, updated about every other year. Based on spouse's age when retiree is 60.

## Questions

3. Explanation of Drop and Back-DROP. What does it entail and when can one begin?

Our system only offers Back-DROP; effective January 1, 2011.

*If eligible, electing Back DROP will provide a monthly benefit and a one-time lump-sum payment at retirement.*

- \* Any active, contributing member who is willing to work over and beyond their 'eligibility' period can participate.
- \* Does not need to notify our office of their participation in advance

### **Back-Deferred Retirement Option Program – LA R.S. 11:1456.1**

- (1) accrue more service credit than the minimum required for eligibility for a normal retirement benefit.
- (2) attained an age that is greater than the minimum required for eligibility for a normal retirement benefit, if applicable.

*Any # of whole months, over the minimum required, not to exceed 36*

*The Back-DROP period shall be comprised of the most recent calendar days*

*Accrued service credit shall be reduced by the Back-DROP period.*

*FAC is calculated by excluding all earnings during the Back-DROP period.*

*Amount=Back-DROP maximum monthly retirement benefit multiplied by the number of months selected as the Back-DROP period.*

**Maximum Benefit = FAC X Accrual Rate X Years of Service**



## Questions

4. How long do you have to be in the Retirement System to be 100% vested? What does 100% vested in the Retirement system mean?

Vested: You have reached retirement eligibility, by obtaining 12 or more years of creditable service.

*A member who has twelve or more years of credited service and terminates prior to reaching fifty-five (or 60) years of age.*

*\* leaves his contributions in the fund*

*\* contact our system when they have reached retirement age.*

*\* Note: Back-DROP is not an option for these vested members (not active, contributing members)*

Benefit=100% of FAC: Service Credit 30+yrs

100% Vested to receive back what I contributed:

EE are always refundable, upon termination.

100% Vested to receive back what % the ER contributed:

ER contributions never directly refunded to member

When does the employer start contributing:

ER contributes on all full time employees, immediately.

## Questions

5. If you terminate employment and are NOT 100% Vested: What happens to the Employee and Employer contributions?

EMPLOYEE contributions made to the retirement system are refundable to the member; if the employer/assessor pays the Employee contributions on behalf of the employee, those funds are still considered refundable.

EMPLOYER contributions made to the retirement system remain in the system fund, regardless of the # of years of creditable service and/or the age of the terminated member.

*Options when terminating employment and not eligible to retire:*

1. *Refund of Contributions*
2. *Leave funds till future decision is made*
  - a. *Rejoin system at a later date*
  - b. *Join another state or statewide retirement system and transfer service time*

## Questions

6. Can you transfer funds from an existing Retirement Account with another Agency into the Retirement System?

See LA R. S. 11:143

An active member who has been with our system for at least 6 months, can request a Transfer Cost calculation, if there is service time and contributions in another Louisiana State or Statewide retirement system.

- Value of those years of service for you in our system
- Could result in an out of pocket cost to member to transfer ALL service time
- In Lieu of time can be considered

## Questions

7. Can you buy Years into the Retirement System ?

You cannot buy air-time or free credit. You can repurchase a refund that you may have taken in the past.

8. Can you add additional funds in your name into the Retirement System?

No, you cannot add additional funds to the Retirement system.

9. How are years of service calculated for every employee (e.g. an employee missed extended time due to a complicated pregnancy, how much longer would that employee have to work)?

Each day that you work, earnings are reported and you contribute to the retirement fund, you earn .002740 per day in service time.

If earnings are docked/leave without pay:

On those hours/days missed you did not contribute to the retirement system, you can (or sometimes MUST) work longer than your expected retirement date to make up for the leave without pay.

## Questions

10. Would it be to a person's benefit to participate in the Back-DROP program if they are employed for thirty years or more?

Working beyond your eligibility, gives you the option of electing Back-DROP. Having a lump sum amount at retirement is a great benefit, but it may not be beneficial in all cases, especially if you have less than 30 years of service.

**Maximum Benefit = FAC X Accrual Rate X Years of Service**



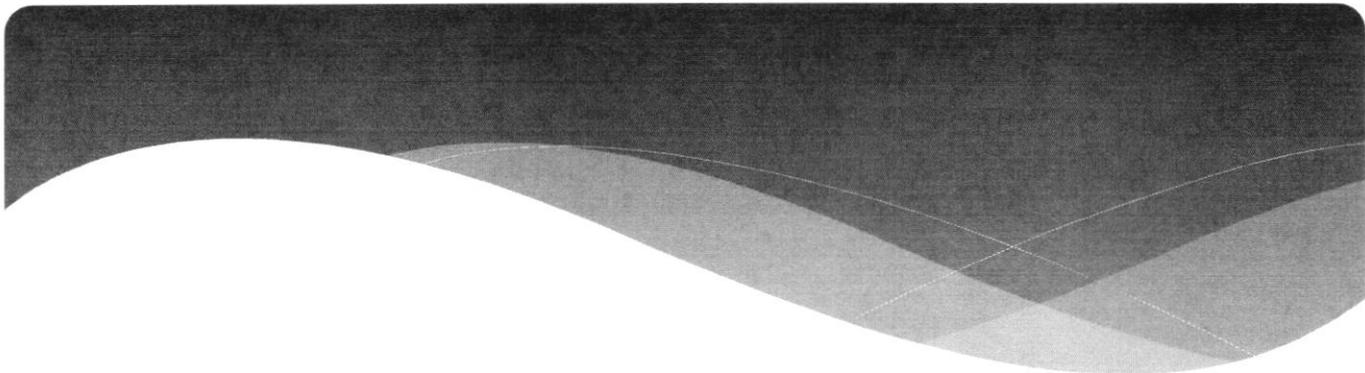
11. Are one-on-one evaluations available for employees nearing retirement and is there a cost associated with meeting the LAA staff if these consultations are offered?

Members are always welcome to visit with the retirement system, with no costs associated.

Best to make appointment or schedule your visit.

Note that benefits are not calculated by our office.

Most beneficial to review the benefits after the actuary has completed the calculations, or before to understand the options you may select.



**The Louisiana Assessors' Retirement Fund Handbook**

Updated July 2016; Available on line

[www.louisianaassessors.org](http://www.louisianaassessors.org), under Retirement tab

Available for online viewing or printable copy.

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