



Leave

For purposes of computing your retirement benefit, creditable service includes years of eligible service credit, credit for unused sick and annual leave, and any eligible service credit purchased. Fractional periods of service are included.

You cannot use unused sick and annual leave to qualify for retirement, or any other benefits payable by LASERS. LASERS can convert unused leave to service credit only if you are eligible for retirement at time of termination.

Annual leave paid by your agency when terminating state service cannot be converted to retirement credit. However, any remaining unused sick and annual leave certified by your agency upon retirement will be credited to you based on the following schedule:

001-026 days = 0.10 yr	131-156 days = 0.60 yr
027-052 days = 0.20 yr	157-182 days = 0.70 yr
053-078 days = 0.30 yr	183-208 days = 0.80 yr
079-104 days = 0.40 yr	209-234 days = 0.90 yr
105-130 days = 0.50 yr	235-260 days = 1.00 yr

Note: Unused leave is converted to days by dividing the number of hours of leave by the number eight, representing an eight-hour day.

Lump-sum payment for unused leave

At retirement, you may either convert eligible unused sick and annual leave to retirement credit, or be paid the actuarial value (not the hourly salary rate) in a lump sum. All members who will not exceed 100% average compensation must make a decision to convert leave to retirement credit in its entirety, or take a lump-sum distribution.

La. R.S. 11:424(E) provides that a member who has unused leave that will cause his or her retirement benefit to exceed 100% of average compensation will be able to receive an actuarial lump sum payment, without regard to the 100% cap. Unused leave may be used to

reach 100% average compensation, and any remainder of leave may be paid in a lump sum.

Lump-sum payments are calculated by multiplying the additional annual benefit by the actuarial reserve factor for the member's age at the time of retirement. The reserve factor is your expected life-span at retirement.

Lump-sum payments are subject to federal income tax. You may roll over lump-sum payments to qualified IRAs. **You may want to consult with a professional tax advisor before you take a payment of your leave benefits from LASERS.**

Calculation of benefit

The formula to calculate the retirement benefit for eligible unused leave is:

Average compensation X Retirement accrual rate X Service credit.

Example

A member, age 50, with 30 years of regular service and an average compensation of \$27,000, retires and receives retirement credit for 144 days of convertible leave. The member's leave is equal to .60 of a year of service credit. The reserve factor, based on this member's expected life-span at retirement, is 10.98514.

Average compensation X Retirement accrual rate X Service credit = Annual Amount

$$\begin{aligned} \$27,000 \times 2.5\% \times .60 &= \$405 \text{ annually or} \\ &\$33.75 \text{ monthly} \end{aligned}$$

OR

Additional Annual benefit X Reserve factor = Lump Sum Amount

$$\begin{aligned} \$405 \times 10.98514 &= \$4,448.98 \text{ lump sum} \\ &\text{payment} \end{aligned}$$

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