

LIAISON MEMORANDUM NUMBER 13-07

To: Agency Liaison Officers

From: Cindy Rougeou
Executive Director

Re: DROP Interest and 2013-14 Employer Contribution Rates

Date: April 1, 2013

At its March 7, 2013 meeting, the Public Retirement Systems' Actuarial Committee (PRSAC) set the DROP interest rate on accounts managed by LASERS to 4.7% for the fiscal year that ended June 30, 2012.

At this meeting, PRSAC also approved the employer contribution rates for Fiscal Year 2013-2014. These rates are detailed in the attached table, LASERS 2013-2014 Contribution Rates by Plan, which should be used to calculate employer contributions to LASERS beginning July 1, 2013. These rates are effective for all payrolls with a payment date of July 1, 2013 or later.

Employees who participate in the Optional Retirement Plan (ORP) have the same normal cost rate as rank-and-file employees (7.6%).

| | | | | |
|---------------------------|----------------------------|-----------------------------|--------------------|-----------------------------------|
| Board of Trustees: | Beverly Hodges, Chair | Judge William Kleinpeter | Rep. Kevin Pearson | Cindy Rougeou, Executive Director |
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LASERS 2013-2014 CONTRIBUTION RATES BY PLAN

| Retirement Plan Code | Retirement Plan Type | Employee Rate | Employer Rate | ISIS-HR Code* |
|-----------------------------|---|--|----------------------|----------------------|
| APL1 | Appellate Law Clerks | 7.50% | 31.3% | N/A |
| APL2 | Appellate Law Clerks 2 Hired on or after 7/01/06 | 8.00% | 31.3% | N/A |
| ATCR | Alcohol and Tobacco Control | 9.00% | 34.2% | LATC |
| BRG1 | Bridge Police Employees | 8.50% | 31.2% | LABP |
| BRG2 | Bridge Police Employees 2 Hired on or after 7/01/06 | 8.50% | 31.2% | LAB6 |
| CBP1 | Cash Balance Plan | 8.00% | 27.8% | To be determined |
| COR1 | Correctional Primary | 9.00% | 34.6% | LC01 |
| COR2 | Correctional Secondary | 9.00% | 34.3% | LC02 |
| HAZP | Hazardous Duty (Act 992) | 9.50% | 30.7% | LAHD |
| JUD2 | Elected Judges Hired on or after 1/01/11 | 13.00% | 31.3% | LAMP |
| JUDG | Judges & Judicial Employees Hired before 1/01/11 | 11.50% | 36.3% | LAMP |
| LGST | Legislative Plan | Legislators = 11.50% Governor/Lt. Governor = 11.50% | 35.0% | LAMP LASG |
| ORP1 | Optional Retirement Plan Hired before 7/01/06 | 7.50% | 31.3% | LAOG |
| ORP2 | Optional Retirement Plan Hired on or after 7/01/06 (Act 75) | 8.00% | 31.3% | LAG6 |
| ORP3 | Optional Retirement Plan Hired on or after 1/1/11 (Act 992) | 8.00% | 31.3% | LAG1 |
| POPS | Peace Officers | 9.00% | 34.8% | LCPO |
| RGL1 | Regular State Employee Hired before 7/01/06 | 7.50% | 31.3% | LASE |
| RGL2 | Regular State Employee Hired on or after 7/01/06 (Act 75) | 8.00% | 31.3% | LAS6 |
| RGL3 | Regular State Employee Hired on or after 1/1/11 (Act 992) | 8.00% | 31.3% | LAS1 |
| SPLG | Special Legislative Employees | 9.50% | 35.0% | LAMP |
| WLO2 | Wildlife & Fisheries Plan | 9.50% | 40.7% | LASW |

**The ISIS-HR code is valid only for those agencies using that system.*