

# INITIAL REPORT TO THE LEGISLATURE

## Department of the Treasury Board of Trustees of the Louisiana State Employees' Retirement System Part I. Louisiana State Employees' Retirement System Chapter 1. General Provisions (LAC 58:I.101—107)

The Department of the Treasury, Board of Trustees of the Louisiana State Employees' Retirement System ("LASERS") proposes amendment in part and repeal in part of provisions contained in Chapter 1 Part I of LAC Title 58. Seven definitions in Section 101 are recommended for repeal, as they are unused in the Part or are already defined in statutory law. Sections 103 and 105 are recommended for repeal in their entirety because they are unneeded. Section 107 is recommended for repeal because it is unsuited for the LASERS appeal process. The proposed rule changes comply with and are enabled by R.S. 11:515

### Title 58

### RETIREMENT

### Part I. Louisiana State Employees' Retirement System

### Chapter 1. General Provisions

#### §101. Definitions

A. Wherever in these regulations the masculine is used, it includes the feminine and vice versa. Wherever the singular is used, it includes the plural and vice versa. The following definitions shall apply to all regulations promulgated under Part I, unless the usage clearly indicates another meaning.

*Active Member*—a member of the Louisiana State Employees' Retirement System who is in state service.

*Active Member Trustees*—those members of the board of trustees of the Louisiana State Employees' Retirement System who are active employees, or participating in DROP.

*Board of Trustees* or *Board*—the board of trustees of the Louisiana State Employees' Retirement System.

*Director*—the executive director of the Louisiana State Employees' Retirement System.

*DROP*—Deferred Retirement Option Plan.

*Inactive Member*—a member who is out of state service but is not retired and has left his contributions in the system.

*LASERS*—the Louisiana State Employees' Retirement System.

*Retired Member Trustees*—those members of the board of trustees of the Louisiana State Employees' Retirement System who are retired, but not those members who are participating in DROP.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:515.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 22:373 (May 1996), amended LR 24:120 (January 1998), amended LR 42: .

#### §103. Petitions for Adoption, Amendment, or Repeal of Rules; Form and Procedure

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:953 and R.S. 11:515.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 22:373 (May 1996), repealed LR 42:.

#### §105. Petitions for Declaratory Rulings on the Applicability of Agency Statutes, Rules or Orders

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:962 and R.S. 11:515.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 22:373 (May 1996), repealed LR 42:.

#### §107. Appeal to the Board of Trustees

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:515.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 22:373 (May 1996), repealed LR 42:.

Cindy Rougeou  
Executive Director

## **NOTICE OF INTENT**

**Department of the Treasury**  
**Board of Trustees of the Louisiana State Employees' Retirement System**  
Part I. Louisiana State Employees' Retirement System  
Chapter 1. General Provisions  
(LAC 58:I.101—107)

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### **Family Impact Statement**

The proposed Rule repeal is not anticipated to have an impact on family formation, stability, or autonomy as described in R.S. 49:972.

### **Poverty Impact Statement**

The proposed Rule repeal is not anticipated to have an impact on poverty as described in R.S. 49:973.

### **Small Business Statement**

The proposed Rule repeal is not anticipated to have an adverse impact on small businesses as defined in the Regulatory Flexibility Act.

### **Provider Impact Statement**

The proposed Rule repeal is not anticipated to have an impact on providers of services funded by the state as described in HCR 170 of the 2014 Regular Legislative Session.

### **Public Comments**

Interested persons may submit written comments on the proposed changes until 4:30 pm, November 30, 2016 to Steve Stark, Board of Trustees for the Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, LA 70804. No rule preamble has been prepared.

  
Cindy Rougeau  
Executive Director

**Title 58**  
**RETIREMENT**

**Part I. Louisiana State Employees' Retirement System**

**Chapter 1. General Provisions**

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*Director*—the executive director of the Louisiana State Employees' Retirement System.

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*LASERS*—the Louisiana State Employees' Retirement System.

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**§103. Petitions for Adoption, Amendment, or Repeal of Rules; Form and Procedure**

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:953 and R.S. 11:515.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 22:373 (May 1996), repealed LR 42:.

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**RETIREMENT**

**Part I. Louisiana State Employees' Retirement System**

**Chapter 1. General Provisions**

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*Active Member Trustees*—those members of the board of trustees of the Louisiana State Employees' Retirement System who are active employees, or participating in DROP.

*Board of Trustees or Board*—the board of trustees of the Louisiana State Employees' Retirement System.

*Department*—a department in the executive branch of state government created or continued in Title 36 of the Louisiana Revised Statutes.

*Director*—the executive director of the Louisiana State Employees' Retirement System.

*DROP*—Deferred Retirement Option Plan.

*Emolument*—cash compensation, which is subject to federal and state income taxes, paid to an employee in addition to the employees' salary, but shall not include overtime, per diem, differential pay, premium pay, or payment-in-kind.

*Inactive Member*—a member who is out of state service but is not retired and has left his contributions in the system.

*LASERS*—the Louisiana State Employees' Retirement System.

*Regular Retirement*—retirement under the criteria set forth in R.S. 11:441.A.(1), (2), and (3), R.S. 11:558, R.S. 11:582 and R.S. 24:36.C and does not include early retirement, as provided for in R.S. 11:441.A.(4).

*Retired Member*—a member who is retired or is participating in DROP.

*Retired Member Trustee*—those members of the board of trustees of the Louisiana State Employees' Retirement System who are retired, but not those members who are participating in DROP.

*System*—the Louisiana State Employees' Retirement System.

*Terminate*—to completely cease employment with the state of Louisiana for a period of not less than 30 consecutive days.

*Trustee*—a member of the board of trustees of the Louisiana State Employees' Retirement System.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:515.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 22:373 (May 1996), amended LR 24:120 (January 1998).

**§103. Petitions for Adoption, Amendment, or Repeal of Rules; Form and Procedure**

A. Petitions for the adoption, amendment, or repeal of rules or regulations shall be submitted to the executive director of the Louisiana State Employees' Retirement System, First Floor, 8401 United Plaza Boulevard, Baton Rouge, LA 70809.

B. Petitions shall be in writing and shall state the name and address of an individual who may be contacted relative to the contents of the petition.

C. Petitions shall clearly state the action sought. If the petitioner seeks to amend or repeal an existing rule or regulation, the petition shall cite that rule or regulation.

D. In the case of proposals for adoption of wholly new rules or regulations, petitions shall state the law granting the authority for the adoption of the proposed rules and regulations.

E. Petitions for the adoption, amendment, or repeal of rules or regulations shall be considered within a reasonable amount of time, not to exceed 90 days. Petitions shall either be denied in writing, stating reasons for the denial, or rule-making proceedings initiated in accordance with the Louisiana Administrative Procedure Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:953 and R.S. 11:515.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 22:373 (May 1996).

#### **§105. Petitions for Declaratory Rulings on the Applicability of Agency Statutes, Rules or Orders**

A. Requests for interpretations of rules or orders of LASERS shall be submitted to the executive director of the Louisiana State Employees' Retirement System, First Floor, 8401 United Plaza Boulevard, Baton Rouge, LA 70809.

B. Letters shall be in writing and shall state the name and address of an individual who may be contacted relative to the contents of the petition.

C. Letters shall clearly state the action sought. The petitions shall cite the particular statutory provisions, rules or orders of LASERS upon which the petitioners seek declaratory action.

D. Requests for interpretations of rules or orders of LASERS shall be considered within a reasonable period of time, not to exceed 90 days of receipt by LASERS. Petitions shall either be denied, in writing, stating reasons for the denial, or declaratory orders or rulings issued within that 90-day period.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:962 and R.S. 11:515.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 22:373 (May 1996).

#### **§107. Appeal to the Board of Trustees**

A. All persons who feel that their rights under LASERS have been denied or impinged upon may appeal directly to the board of trustees for LASERS through the executive director using the following format:

1. all appeals shall be in writing;

2. all appeals shall clearly state the nature of the act or omission giving rise to the appeal;

3. the petition for appeal shall clearly state whether a hearing is requested. If a hearing is requested, the petition shall state whether witnesses will be called, the name of the witnesses, the subject upon which the witness will testify, and an estimate as to the time needed to present the appeal; and

4. LASERS shall attach a complete record of the events leading up to the appeal letter.

B. Any final decision rendered on an appeal to the board of trustees may be judicially reviewed by the Nineteenth District Court for the Parish of East Baton Rouge.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:515.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 22:373 (May 1996).

#### **§109. Waiver of the Electronic Funds Transfer Requirement**

A. LASERS may, at its option, issue paper checks in lieu of an Electronic Funds Transfer (EFT) to surviving minor children under R.S. 11:471 et seq., in order to avoid overpayments or other administrative issues associated with the payment of such benefits.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:515 and 11:479.

HISTORICAL NOTE: Promulgated by the Board of Trustees of the State Employees' Retirement System, LR 31:1611 (July 2005).

#### **§111. Contributions by Electronic Funds Transfer or Certified Check**

A. Under circumstances as determined by the executive director, LASERS may require agencies to submit employee and employer contributions by electronic funds transfer ("EFT") or certified check.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:515.  
HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 33:2468 (November 2007).

**§113. Rollover of Refunds**

A. Qualified rollovers of accumulated employee contributions to be refunded may be made to two different accounts with a minimum of \$500 to each account. Refunds of funds totaling less than \$500 shall be limited to a single account.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:515.  
HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 34:97 (January 2008).

FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES

Person

Preparing

Statement: Steve Stark

Dept: LASERS

Phone: 922-0398

Office: Legal Division

Return

Address: 8401 United Plaza Blvd.

Rule

Title: General Provisions

Baton Rouge LA 70806

Date Rule

Takes Effect: January 20, 2017

SUMMARY  
(Use complete sentences)

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule change will have no impact on state or local government expenditures. The proposed change is part of the streamlining of the Louisiana State Employees' Retirement System (LASERS) regulatory structure. The proposed rule change removes language that is redundant or no longer needed. Seven definitions in Section 101 are recommended for repeal, since they are already defined in statutory law. The proposed rule change amends a definition to correct a typographical error. Sections 103 and 105 are recommended for repeal since the rules have never been invoked in the twenty years since they were originally promulgated. Section 107 is being repealed because it is designed for adjudicatory hearings, which are not a part of the LASERS appeal process.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There will be no effect on revenue collections of state or local governmental units as a result of the proposed rule change.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS (Summary)

The rule definitions proposed for repeal and amendment are general provisions. They do not single out specific persons or non-governmental groups, but are designed to aid persons navigating the body of LASERS rules and regulations. Sections 103 and 105 have never been invoked, which strongly implies that no particular persons or non-governmental groups would be directly affected by their proposed repeal. Section 107 affects persons seeking an appeal, but the right to appeal a LASERS action is not rendered null by its repeal.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule change will have no effect on competition or employment.

  
Signature of Agency Head or Designee

Cindy Rougeou, Executive Director  
Typed Name and Title of Agency Head or Designee

  
Legislative Fiscal Officer or Designee

10-6-16  
Date of Signature

RECEIVED

10/6/16  
Date of Signature

OCT 06 2016

Legislative Fiscal Office

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES**

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberation on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption, or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

LASERS proposes to amend Chapter 1 of LAC Title 58 Part I dealing with general provisions. A review of this chapter finds that some of its provisions are redundant and unneeded. Seven of the definitions are being repealed, most because they are already defined in statutory law. One definition is being amended to correct a typographical error. Sections 103 and 105 are being repealed because they have never been invoked, despite existing for twenty years. Section 107 is being repealed because it is designed for adjudicatory hearings, which are not a part of the LASERS appeal process.

- B. Summarize the circumstances, which require this action. If the Action is required by federal regulation, attach a copy of the applicable regulation.

LASERS staff is methodically reviewing all of its rules and regulations as part of an effort to streamline the way the system conducts its mission.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

No.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

(a) \_\_\_\_\_ Yes. If yes, attach documentation.

(b) \_\_\_\_\_ NO. If no, provide justification as to why this rule change should be published at this time

**FISCAL AND ECONOMIC IMPACT STATEMENT**

**WORKSHEET**

**I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED**

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

<b>COSTS</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>
Personal Services			
Operating Expenses			
Professional Services			
Other Charges			
Equipment			
Major Repairs & Constr.	0	0	0
<b>TOTAL</b>			
<b>POSITIONS (#)</b>	0	0	0

2. Provide a narrative explanation of the costs or savings shown in "A.1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

The proposed rule amendments have no anticipated implementation cost.

3. Sources of funding for implementing the proposed rule or rule change.

<b>SOURCE</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>
State General Fund			
Agency Self-Generated			
Dedicated			
Federal Funds			
Other (Specify)			
<b>TOTAL</b>	0	0	0

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

Yes.

**B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED**

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

No impact is expected on local governmental units.

2. Indicate the sources of funding of the local government unit which will be affected by these costs or savings.

Since no impact is expected, no sources of funding have been identified.

**FISCAL AND ECONOMIC IMPACT STATEMENT**

**WORKSHEET**

**II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENT UNITS**

A. What increase (decrease) in revenues can be anticipated from the proposed action?

No effect on revenue collections to state or local governmental units is anticipated to result from the implementation of these rule changes.

<b>REVENUE INCREASE/DECREASE</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>
State General Fund			
Agency Self-Generated			
Dedicated Funds*			
Federal Funds			
Local Funds			
<b>TOTAL</b>	<i>0</i>	<i>0</i>	<i>0</i>

\*Specify the particular fund being impacted

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A."  
Describe all data, assumptions, and methods used in calculating these increases or decreases.

N/A

## FISCAL AND ECONOMIC IMPACT STATEMENT

### WORKSHEET

#### III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS

- A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

The rule definitions proposed for repeal and amendment are general provisions. They do not single out specific persons or non-governmental groups, but are designed to aid persons navigating the body of LASERS rules and regulations. Sections 103 and 105 have never been invoked, which strongly implies that no particular persons or non-governmental groups would be directly affected by their proposed repeal. Section 107 affects persons seeking an appeal, but the right to appeal a LASERS action is not rendered null by its repeal.

- B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

The proposed rule changes will have no foreseeable impact on receipts or income to any persons or non-governmental groups affected.

#### IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

No effect on competition or employment in the public or private sectors is anticipated to result from the proposed rule changes.