Louisiana Sheriffs' Pension & Relief Fund

MEMBER HANDBOOK

Revised March 2021

Serving Those Who Serve

HOW TO CONTACT SHERIFFS' PENSION FUND

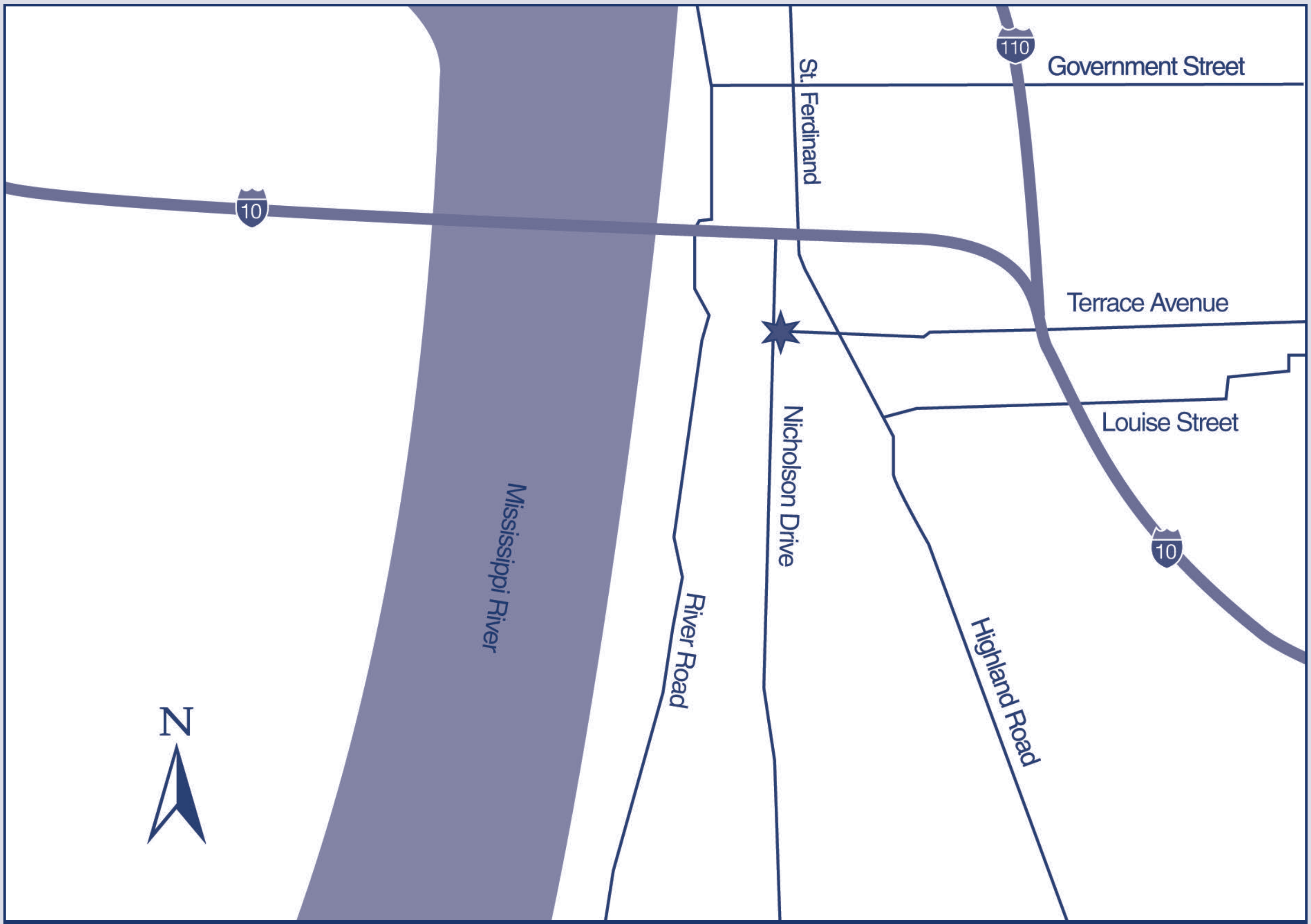
Address Correspondence to: Sheriffs' Pension and Relief Fund
1225 Nicholson Drive
Baton Rouge, LA 70802-7537

Contact Information: Telephone: (225) 219-0500
Toll Free: (800) 586-9049 [LA Only]
Facsimile: (225) 219-0521

Email: info@lsprf.com

Website: www.lsprf.com

The office of the Sheriffs' Pension and Relief Fund is located in its own two-story building on the corner of Nicholson Drive and Terrace Avenue, adjacent to the Louisiana Sheriffs' Association facilities. Regular office hours are 8:00 A.M. to 4:30 P.M. Monday through Friday. The office may be closed on certain state holidays.



DIRECTIONS TO SHERIFFS' PENSION FUND OFFICE BUILDING

From Lafayette: exit I-10 bridge to Highland Road [EXIT 155A]; at light, turn right onto Terrace Avenue; proceed to Nicholson Drive. At light, turn right onto Nicholson Drive. Louisiana Sheriffs' Retirement System Building is on the right, first driveway.

From New Orleans/Hammond: exit I-10 at Louise Street exit [EXIT 155C]; at stop sign, turn left onto Louise Street. Continue on Louise Street to Highland Road; at stop sign, turn right onto Highland Road; proceed to Terrace Avenue. At light, turn left onto Terrace Avenue; proceed to Nicholson Drive. At light, turn right onto Nicholson Drive. Louisiana Sheriffs' Retirement System Building is on the right, first driveway.

From I-110, Traveling South: exit I-110 at Government Street [EXIT 1A — left lane exit]; turn right onto Government Street. Proceed west to St. Ferdinand Street; turn left onto St. Ferdinand Street [a one-way street]; continue south on St. Ferdinand Street to Terrace Avenue [past South Boulevard]. At light [Highland Road and Terrace Avenue], turn right onto Terrace Avenue; proceed to Nicholson Drive. At light, turn right onto Nicholson Drive. Louisiana Sheriffs' Retirement System Building is on the right, first driveway.

Louisiana Sheriffs' Pension & Relief Fund

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Phone: (225) 219-0500 • (800) 586-9049 • FAX: (225) 219-0521
www.lsprf.com

On behalf of your Board of Trustees and staff, it is always an honor to be of service to our members. We are pleased to provide you with this latest version of your member handbook, updated through the 2020 legislative session. In addition, our staff takes great pleasure in working with our members to provide you with additional information or assistance at any time. We consider public service in law enforcement a very high calling in life and hold our members in the highest regard and respect. We take this opportunity to welcome the new members that have taken office this year, and to thank all of our sheriffs, deputies and members for their great support of your retirement Fund over the years.

We have developed a highly trained and professional staff and continually update our systems to provide you with additional information and quick response times when you contact our office. The cover of this handbook best states the mission of our Board and staff, "Serving Those Who Serve". We strive to provide you with special services and a courteous experience with the knowledge that your retirement is planned for a lifetime benefit when you achieve Fund requirements and finish your career.

Of highest importance to our Board of Trustees and staff is to continually plan and maintain a sound Plan for the long-term future to protect the lifetime retirement benefit you have earned in your career of serving and protecting the public. Our system is actuarially funded to guide us for long term success. Over the years, our Board has been a leader in sponsoring important reform legislation and implementing innovative funding methods that will assist us in maintaining a strong financial position to protect our members' benefits and keep Plan costs affordable for our Plan sponsors, our sheriffs. Our required employer contribution rates are currently among the lowest of the public state and statewide retirement systems in Louisiana.

In our efforts to provide exceptional service, our staff is very active in providing free retirement estimates and projections for our members and pre-retirement planning sessions for our members through our parishes. For example, if you have refunded service or have service in other state or statewide systems, these are areas we may be able to assist you in obtaining additional service credit in LSPRF. We encourage you to call the Pension office to take advantage of services that may be available to you.

This handbook is also available on our website along with other information that may be of assistance to you, such as a benefit calculator, pension forms, and with an assigned password, access to your individual member record.

Again, we extend our sincere appreciation for the support we receive from our sheriffs and members, and the Louisiana Sheriffs' Association in improving and protecting our Fund. Please let us know if we can be of service at any time. Our best regards.

Sincerely,

Osey McGee, Jr.
Executive Director

Keith Duplechain, CPA
Assistant Director

Serving Those Who Serve

We are here to serve you…please call for information and assistance

In order that the staff may better assist you, please call our office at (800) 586-9049 (LA only) or (225) 219-0500, and direct your questions to the following departments:

Membership Department

For assistance dealing with any of the matters listed below, please call our office and ask to speak to a Membership Analyst:

- Enrollment information requirements
- Physical examination requirements
- Beneficiary changes and updates
- Repayments of refunded service
- Purchase of military service credit
- Purchase of prior services or out-of-state law enforcement service
- Transfers of service from other state or statewide systems
- Reciprocal recognition of service with other state or statewide systems

Benefits Department

For assistance dealing with any questions in the matters listed below, please call our office and ask to speak to a Benefits Analyst:

- Retirement eligibility
- Calculation of estimates of future benefits/actual retirement benefits
- Back-DROP
- Retirement options
- Processing retirement applications
- Processing applications for survivor benefits
- Changes in tax withholding from benefit payments

Refunds/Contribution Reporting

For assistance dealing with any questions in the matters listed below, please call our office and ask to speak to a Refund/Contribution Analyst:

- Application for a Refund of Employee Contributions
- Tax implications on refunds
- Monthly/Quarterly reporting of employee/employer contributions

Website Assistance

For assistance with access and questions or needs concerning our website, or if you have any input regarding our website, please call our office and ask to speak with the Website Manager.

Information Technology Assistance

For any technology support related questions, please ask to speak with the Information Systems Manager.

Tax Related Issues

- The Accounting Department processes Form 1099R and other related tax forms. For assistance in this area, please ask for the Accounting Department.
- For information related to the Plan's tax qualified status, please ask for the Director or the Assistant Director.

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INTRODUCTION

The purpose of this Summary of Plan Provisions is to provide general information about your Pension Fund. This publication is not a legal document nor is it intended to serve as a basis for legal interpretation. It may not answer all your questions about the Pension Fund, nor cover every provision of law.

Examples contained herein are for illustration purposes only and do not reflect results applicable to any individual member. You are invited to write, call, or visit our office for answers to your specific questions. When writing, please provide your social security number, home mailing address and telephone number. If you prefer to visit our office, please call to schedule an appointment.

The information listed in this publication is valid as of July 1, 2020, and is based upon provisions found under Louisiana Statutes Annotated, Revised Statutes Title 11, Subtitle III, Chapter 7, Section 2171 et seq. as amended through the Regular Legislative Session of 2020, and the policies adopted by the Board of Trustees. The Sheriffs' Pension and Relief Fund is also subject to the general provisions applicable to all state and statewide retirement systems and plans found under LSA-Revised Statutes Title 11, Subtitle I, Chapters 1 through 4, Section 1 et seq. All of the information contained in this publication is subject to legislative revision and/or policy changes by the Board of Trustees.

Membership in the Sheriffs' Pension and Relief Fund represents a sizeable investment in your future. It is important that you, as well as your family, understand the benefits presented in this publication.

Please study the provisions and benefits described herein and discuss them with your family or the person who will be responsible for your estate after your death. Please keep this publication in a safe place together with the Member Account Statement that is provided to you annually. It is extremely important that you notify the Sheriffs' Pension Fund directly, in addition to your employing sheriff's office, whenever you have a change in your mailing address in order for you to receive all correspondence and notices mailed to members and/or retirees annually or on certain other occasions. For your convenience, a change of address form is available on our website at ***www.lsprf.com***.

GENERAL INFORMATION

Creation of Pension Fund; Public Corporation; Domicile

Act 327 of 1946 created a statewide pension and relief fund for sheriffs and deputies in all parishes, including the civil and criminal sheriffs for the parish of Orleans and their deputies, that was placed under the management of "the Board of Trustees of the Sheriffs' Pension and Relief Fund," with the powers and privileges of a public corporation, domiciled in the city of Baton Rouge, Louisiana. *[R.S. 11:2171]*

Board of Trustees

The Board of Trustees is composed of 16 members: 14 elected members and two legislators who serve as ex-officio members. *[R.S. 11:2173; R.S. 11:181B]*

Act 78 of the Regular Legislative Session of 2007 provides for advance education for candidates for membership on the Board of Trustees. All candidates, effective June 22, 2007, must have completed the following educational requirements prior to participating in the election or appointment process, as the case may be, in order to serve as a trustee for the Fund:

- Two hours of education relative to the law, rules, and regulations applicable to the fund, including information regarding the funding of the system.
- Two hours of fiduciary duty and ethics education.
- Four hours of education relative to actuarial science and information.
- Eight hours of professional development in investment strategies.

All such training sessions are to be conducted by the Pension Fund and the Fund will be responsible for the costs for such training sessions. Participating members (candidates) are responsible for travel costs to and from such training sessions. All training sessions are to be conducted at the office of the Fund or at the annual Louisiana Sheriffs' Association (LSA) conference. Training sessions conducted at the LSA conference will additionally be offered at the office of the Fund.

Completion of the above described advance educational requirements will serve to satisfy the requirements of R.S. 11:185D(5) providing that *no new board member shall vote on any matter until he has completed the fiduciary and ethics requirement and one hour of education in each of the other required areas prescribed by R.S. 11:185.*

The offices of President and Vice-President may be held by an active participating sheriff or a retired sheriff receiving a monthly benefit from the Sheriffs' Pension Fund. The President is elected by the general membership of the Louisiana Sheriffs' Association, to a three-year term. The Vice-President is also elected by the Louisiana Sheriffs' Association general membership for a term of office of three years.

At the annual Louisiana Sheriffs' Association Conference, the general membership elects one active sheriff and one retired sheriff to three-year staggered terms. Active and retired deputy sheriff members are elected from their respective ranks to three-year staggered terms. All Board members are eligible for re-election.

Administrative Personnel and Retained Professionals

The Board of Trustees has the authority to employ an executive director and other personnel and pay all reasonable and proper expenses required. *[R.S. 11: 2175B]* The appointed executive director has Board delegated authority to employ the other personnel as required for the efficient, day-to-day operation/administration of the Pension Fund.

An executive counsel is selected jointly by the Board of Trustees and the Executive Board of the Louisiana Sheriffs' Association. *[R.S. 11:2173B]* Professional individuals, firms, agencies, etc. may be employed to provide actuarial, auditing, accounting, computer, legal, and investment services to the Pension Fund and are selected through a process of requests for proposals or other standard selection procedures as authorized by state law and/or board policy.

SOURCES OF REVENUE; ACTUARIAL VALUATION

Contributions, Investments, Other Revenue Sources

Employee and Employer Contributions

Employee contributions and employer contributions required to be paid on behalf of members are based on earnings subject to pension reporting. Contribution rates are established by provisions of Louisiana law, and action of the Board of Trustees. *[R.S. 11:62; R.S. 11:103; R.S. 11:104; and R.S. 11:105]*

Lump-sum payments for unused vacation and/or sick leave made at retirement, or separation from service for any other purpose, are not subject to employee or employer contributions.

Effective January 1, 1995, the Sheriffs' Pension Fund became a tax-qualified plan under the provisions of the Internal Revenue Service Code, Sections 401(a) and 414(h), at which time many sheriffs' offices opted to begin tax-sheltering employee contributions. Members in those parishes do not pay federal or state income tax on the employee contributions deducted from their earnings. Federal tax becomes payable at the time tax-sheltered contributions are distributed to the member in the form of a retirement or other monthly benefit, or the member terminates employment and requests a refund of contributions. Currently, only three parishes do not participate in the tax-sheltering of employee contributions.

Investment Income

The Board of Trustees has adopted an investment policy, in accordance with Louisiana statutes and sound fiduciary standards, outlining the strategy for investing available funds to strengthen the financial status of the Pension Fund. The Board, with the assistance of its consultant, conducts a periodic asset allocation review. This review results in a decision-making process that produces a well-diversified allocation of the Sheriffs' Pension Fund's investments. Additionally, the consultant assists the Board in finding, hiring and evaluating the performance of professional money management firms that are responsible for investing funds. Investment earnings provide the majority of funds required to pay benefits.

Property Tax; State Revenue Sharing Funds; Insurance Premium Tax Fund

In addition to the employee and employer contributions remitted monthly by all sheriffs' offices, each sheriff shall deduct annually one-half of one percent (.50%) of the aggregate amount of taxes shown to be collectible by the tax rolls of the parish and remit such amounts directly to the Pension Fund. *[R.S. 11:2174A]*

Additionally, all sheriffs' offices remit a portion of the state revenue sharing funds received by them.

[Article 7, Section 26 of the Louisiana Constitution]

The Pension Fund may receive a percentage of the funds derived from assessments against casualty insurers in the state and deposited into a special account with the State Treasurer. These funds are drawn once a year from the Insurance Premium Tax Fund in an amount deemed necessary by the Public Retirement Systems' Actuarial Committee (PRSAC) to meet the funding requirements of the Sheriffs' Pension Fund. *[R.S. 11:103C]*

Reporting and Information to Members

At the end of each fiscal year after an independent audit of the Pension Fund, a Member's Account Statement is mailed to each active member. The statement lists the member's creditable service and employee contribution balance as of the end of the fiscal year. If the member finds an error or discrepancy in the information provided, the member should contact the Pension Fund directly, in writing, to request a review of his retirement account to verify the accuracy of the statement and make corrections, if warranted.

Actuarial Valuation

The Louisiana statutes provide that an approved actuarial advisor make an annual valuation of the Pension Fund's assets and liabilities. The purpose of this annual valuation is to determine the financial condition of the Pension Fund and to determine the contribution rates necessary to fully fund the Plan. The Pension Fund's actuarial advisor investigates the death, disability, withdrawal and retirement experience of the system and compares the forecasting assumptions against actual Fund experience.

MEMBERSHIP

Enrollment Process

Membership Eligibility and Enrollment Requirements

Membership is mandatory for each sheriff and deputy employed in a sheriff's office, including the criers of the several divisions of the Civil District Court for the parish of Orleans, who, on the date of application to become a member, is age 18 or older, provided his monthly salary, including state supplemental pay, is not less than:

- $400 if employed before January 1, 1991;
- $550 if employed after December 31, 1990;
- $800 if employed on or after January 1, 2000;
- $1,000 if employed on or after January 1, 2013

Membership is mandatory for any non-deputized person employed in a sheriff's office who is otherwise eligible, as well as any salaried employee of the Sheriffs' Pension Fund and the Louisiana Sheriffs' Association, Inc., whose monthly salary is not less than $1,000, and who, on the date of application to become a member, is age 18 or older.

Should a member be employed in more than one parish in positions that would each otherwise be eligible for membership in the Fund, the member is only eligible to contribute on the employment position in the parish with the largest salary. *[R.S. 11:2174B]*

In order to meet the eligibility requirements for membership, the employee/applicant must finish the entire enrollment process, which includes:

- completing the *Membership Enrollment Form* and providing a copy of the birth certificate and social security card;
- completing and having notarized the **Part A-Medical History** section of the physical examination form to be taken to the examining physician;
- undergoing a physical examination and laboratory testing, to be paid by the employing sheriff, including the completion of **Part B** by the examining physician;
- completing an *Enrollment Affidavit* to certify that the employee/applicant understands the conditions regarding timely completion of the enrollment process; and
- completing an affidavit of understanding for the *Exclusion of Preexisting Conditions for Disability Retirement.*

The enrollment process, which includes all steps outlined above, must be completed and documents received by the Pension Fund no later than **six months** after the date of employment in order for the applicant to become a member eligible to begin vesting for regular and disability benefits from the date of employment. If the enrollment process is not completed within six months from the date of employment, the employee/applicant will be a member eligible to begin vesting for regular benefits from the date of employment, but not eligible to begin vesting for disability benefits until the date of completion of the enrollment process. (See "Limited Membership")

It is the responsibility of the employing sheriff to ensure that the enrollment process is completed in a timely manner, or to notify the Pension Fund of noncompliance by the applicant. *[R.S. 11:2181]*

Members in Inactive Status; Leave-Without-Pay Status; Unpaid Sick Leave Status or Family and Medical Leave Act Status

Members who terminate active service and leave their funds on deposit, or who are on leave-without- pay status, and remain inactive for 90 or more days, are required to complete a new enrollment form and undergo a new physical examination upon return to active service. Members on unpaid sick leave or utilizing the Family and Medical Leave Act and who return to active service are not required to undergo a new physical examination.

Termination of Employment with a Refund of Contributions

Members who leave employment and withdraw their contributions and later return to work in a sheriff's office must complete the enrollment process again, including the physical examination, regardless of the length of time between termination and re-employment.

Limited Membership

Applicants for membership are required to complete the enrollment process within six months of their date of employment. Should the process not be completed within the six-month period, the applicant will not begin vesting for disability benefits (10 years of service) until the enrollment process is completed, although the applicant begins to vest for regular retirement benefits (12 years of service) from the date of employment. The member will be placed in "limited membership" status until the enrollment process is completed. The date of completion, if later than six months from the date of employment, becomes the date from which the member will begin to accrue service credit for disability vesting. Members who do not complete the enrollment process and are injured in-the-line-of-duty will be required to prove the disability was not due to preexisting conditions. *[R.S. 11:2181A]*

Designation of Beneficiary

Active members are encouraged to designate a beneficiary or beneficiaries for their retirement account in the event of death prior to retirement. Previously, members did not designate a beneficiary until they selected an Option Plan for regular or disability retirement.

Submission of a *Designation of Beneficiary Form* supersedes all prior designations. The member must include **all** beneficiaries they wish to designate. Beneficiaries will share equally if percentages are not provided and any amounts unpaid upon death will be divided equally. **Primary and contingent *beneficiaries* must separately total 100%.** The number of primary or contingent beneficiaries the member may name is not limited and the percentages do not have to be equal. If a primary percentage beneficiary dies before you, their designated benefit will be allocated pro rata among the surviving primary percentage beneficiaries unless you provide that the share of the deceased percentage beneficiary goes to an Alternate Beneficiary. Contingent beneficiaries will receive money only if all primary beneficiaries are deceased, minus any percentage benefit which has been allocated to an alternate beneficiary. Since alternate beneficiaries receive only the percentage interest designated for them and are not entitled to any additional distributions, your contingent beneficiaries will receive the unallocated percentage of your benefit unless you clearly provide otherwise.

Careless designations can lead to results you do not want. For example, if you list your children by name as primary beneficiaries and a child dies before you, the benefit will be paid to your remaining children and not to your grandchildren by the deceased child even though the grandchildren are listed as contingent beneficiaries. To prevent this result, you should list your "**descendants by roots**" as the primary beneficiary and not list your children by name and provide LSPRF with the names and social security numbers of your children and grandchildren on Exhibit "A". The term "descendants by roots" is a legal phrase that means your refund will be divided equally by reference to your children. If a child dies before you, that deceased child's share will be divided equally among that deceased child's children. If a child and grandchild die before you, the share of the grandchild will be divided equally among your great-grandchildren by the deceased grandchild. As long as you simply list names, the LSPRF will treat all named beneficiaries equally.

If the member has a "Power of Attorney" or other legal documents, a certified copy of such legal document must be submitted along with the form. If any primary beneficiaries survive the member, they will divide the member's death benefit in proportion to the percentages designated by the member. The designation of beneficiary(ies) may be changed at any time prior to retirement. *Designation of Beneficiary Forms* can be requested from the Pension Fund or obtained online at **www.lsprf.com**.

The balance of the member's accumulated employee contributions will be payable to the deceased member's beneficiary(ies) only in the event the member does not have any qualifying survivors (spouse and/ or children) entitled to a monthly survivor's benefit. Also, please note, the designation of a beneficiary or beneficiaries does not supersede community property and heirship rights.

In the event of a vested member's death before retirement, survivor benefits automatically become payable to the member's surviving spouse and/or minor children (see SURVIVOR BENEFITS section). Upon the death of a non-vested member, a refund of the deceased member's accumulated employee contributions will be paid to the member's designated beneficiary(ies), or estate if the member did not properly file a *Designation of Beneficiary Form* prior to death.

Please note that the *Designation of Beneficiary Form* IS NOT APPLICABLE FOR RETIREES. At the time of retirement, a member designates a beneficiary for Option purposes to receive specific spousal benefits upon the retiree's death.

Dual Employment; Dual Membership

Any person who works for more than one public employer in this state, and who, by reason of such employment is eligible, as a condition of such employment, to be a member of the public retirement system or fund applicable to employees in each such public employment, must become a member of each system or fund for which he is eligible during the term of employment.

In no event will such person be allowed to earn more than one year of service credit in any one year. Service credit earned in more than one retirement system or fund in any one year shall not be transferred or recognized reciprocally to attain more than one year of service credit in any one system in any one year.

Any person, who previously was not allowed to participate in a retirement system because of dual employment, may purchase prior service in the appropriate retirement system or fund at the actuarial value of the service. The member and employing agency may each pay half of the cost; however, a uniform purchase policy must be applied. *[R.S. 11:191]*

FUNDS AT TERMINATION OF EMPLOYMENT

Refund of Contributions

Applying for a Refund

Only terminated members are eligible for refunds; refunds cannot be paid to members who are actively employed in a sheriff's office. **Members who transfer employment from one sheriff's office to another are not eligible for a refund of contributions paid through the first sheriff's office. Members are not eligible for a refund until 30 calendar days after no longer being employed in any sheriff's office.**

Members who leave the sheriff's office may withdraw their contributions. Employee contribution accounts do not earn interest, whether left on deposit or refunded. To receive a refund of contributions, the member must be separated from all employment with any sheriff's office in the state for a minimum of 30 calendar days and all appropriate forms and final contributions must have been received in the office of the Pension Fund. Under normal circumstances, a refund check is usually issued approximately five weeks after the member's date of separation of employment; however, payment may be delayed if all required forms and documents have not been timely received. Refund checks are issued on a daily basis to eligible members.

A refund of contributions cancels all rights in the Pension Fund, and the member forfeits all prior and military service credit as well as membership service credit for the period refunded. Partial refunds are not permitted. If a refunded member returns to employment in a sheriff's office, the employee will be required to go through the entire membership application process, which includes a new physical examination. *[R.S. 11:2175C(1)]*

Members who purchased prior service, military service, or repaid a previous refund to restore service credit, will be refunded only the amount of funds designated as employee contributions. **Any** other portion of such payments (interest, for example) remains with the Pension Fund.

If a member is married at the time of the application for a refund, the member's spouse must also sign the refund application. If a member was married during all or a portion of his employment in a sheriff's office, and has either filed for a divorce or is already divorced from such former spouses(s), the former spouse(s) and the member may be required to furnish additional information in order for the former spouse(s) to receive their portion of the community contributions, **unless a property settlement that addresses the division of the member's contributions has been filed.** Members are urged to address the division of the member's Pension Fund assets in the property settlement at the time of filing for a divorce.

In instances in which no certified copy of an injunction, temporary restraining order, or court order for division of a return of employee contributions has been received and/or approved as required, the Pension Fund will pay the entire amount of the refund to the member, or the estate of a deceased member. Payment so made will constitute a release of all accrued rights of every kind and nature against the Pension Fund, including but not limited to community property rights of a spouse or former spouse and any rights of an heir or legatee of such spouse or former spouse. *[R.S. 11:291E]*

Federal Income Tax Liability and Withholding

In those parishes that tax-shelter their employees' contributions to the Pension Fund, the member's taxable income is reduced by the employee contributions paid by the member each year since tax-sheltering began. Since these contributions have been sheltered from taxes when earned, they become taxable when the member is refunded, unless the sheltered refund amount is rolled over into another qualified retirement plan, or an Individual Retirement Account (IRA). If not rolled over, tax-sheltered refunds are subject to a **20% federal withholding tax.**

The member may also be subject to a **10% federal early withdrawal penalty** if the refund takes place before age 50, unless the refund is paid as a result of death, disability, or other exception outlined in the federal guidelines. *Withholding of 20% for federal income tax does not necessarily mean the member has no additional federal income tax liability. Tax liability will be determined when the member files an income tax return for that year.* Additionally, the Pension Fund does not withhold the 10% penalty, if applicable. The member is responsible for paying the penalty for the early withdrawal, which will be so coded on the Form 1099R furnished to the member and IRS for the year in which the refund was issued.

The non-taxable (unsheltered/after-tax) portion of employee contributions is usually refunded directly to the member, with no income tax withheld and no tax liability. However, under certain circumstances, that portion of the refund may also be rolled over into another plan. The receiving plan must certify that it will accept and account for the unsheltered/after-tax contributions.

Refund Upon Death of Member

In the event of the death of an active or inactive member who does not have sufficient creditable service for survivor benefit eligibility (at least 12 years), a refund of employee contributions is payable to the estate of the deceased member. A refund of employee contributions is payable when a vested member (12 years or more of creditable service) does not have a survivor eligible for a monthly benefit, or the eligible survivor elects to receive a lump-sum payment of accumulated employee contributions in lieu of a monthly benefit. *[R.S. 11:2175D and R.S. 11:2178J(3)]*

Funds Left on Deposit

Members who terminate employment in a sheriff's office may leave their contributions on deposit, whether or not they have enough service to be vested (minimum 12 years). Employee contribution accounts do not earn interest while on deposit, regardless of whether the member is in active or inactive status. Vested members who leave their contributions on deposit are eligible for retirement benefits when they reach the required age, provided written application for benefits is submitted to the Pension Fund office. *[R.S.11:2178C(2)]* It is recommended that an application for deferred retirement be submitted to the Pension Fund at least 30 days prior to the attainment of normal retirement age.

A member who terminates employment in a sheriff's office and becomes employed with another governmental entity located in the state of Louisiana, may leave his contributions on deposit to be transferred to or reciprocally recognized by his new public retirement system. (See SERVICE IN OTHER PUBLIC SYSTEMS.)

PURCHASE OF CREDITABLE SERVICE

Repay Refund; Purchase Prior Service, Purchase Out-of-State Service Credit

Repay Refund

If any member, who withdrew from service and obtained a refund of contributions, should return to service and once again become a member of the Pension Fund, he may reestablish credit for the refund- ed service by making payment to the Pension Fund the amount of the refund previously obtained, plus interest at the board-approved actuarial valuation rate (currently 7.00%), compounded annually from the date of the refund to the date of repayment. Only lump-sum payment is accepted. However, if the member had more than one refund, each refund may be repaid separately. *[R.S. 11:2175C(2)(a)]*

If any refund described above represents **four or more years** of service credit, the refund may be repaid in two separate installments. Service credit will be credited to the member's account in an amount equal to the portion of service represented by the payment. No service shall be credited to a member's account prior to the repayment of the refund. *[R.S. 11:2175C(2)(b)]*

Purchase Prior Service

Any participating member of the Pension Fund, who has performed prior service as a sheriff, deputy, or noncommissioned employee in a sheriff's office that has not been purchased or credited in the Fund, is entitled to purchase such credit by making payment to the Pension Fund of an amount calculated by the Fund's actuary. Certification and documentation of the service rendered, such as oaths of office and payroll records, must be provided. *[R.S. 11:2175C(3)(a) and R.S. 11:158C]*

Purchase Out-of-State Service Credit *[R.S. 11:2174.1]*

Any member who has at least 18 months of creditable service in the Sheriffs' Pension Fund is eligible to obtain credit for full-time law enforcement service rendered in any other state, provided the member does not already have credit for that service in any other public retirement fund, and is not receiving a regular or disability benefit based on such service.

In order to receive such credit, the retirement fund in which the member was enrolled while employed as a law enforcement officer in another state shall certify, under oath, that the member does not have credit in that fund which duplicates the credit being purchased in this fund and is not receiving a benefit based on such service.

To purchase credit for such service, the member must make application to the Pension Fund and furnish a detailed statement of all service to be purchased, listing inclusive dates of employment and salary earned, on a fiscal year basis, indicating dates of pay increases. Additionally, the member must pay an amount calculated to be the "actuarial cost" of the purchase. The cost must be paid in one lump- sum payment and will be credited to the member's employee contribution account.

Purchase Permissive Service Credit *[R.S. 11:2175(C)(3)(c)]*

Any member with a minimum of twelve (12) years of service credit applicable to eligibility for regular retirement may purchase up to five (5) years of permissive service credit, commonly referred to as "air time". The service credit may be purchased only in full-month increments by paying the total cost of the actuarial value of benefits to be purchased.

- The request to purchase permissive service credit shall be accompanied by the member's application for retirement from employment.
- To obtain the cost to purchase **"air time"**, the member must submit an application to purchase permissive service credit. The form *"Application For Purchase of Creditable Service under R.S. 11:2175(C)(3)(c)"* can be requested from the Pension Fund or obtained online at **www.lsprf.com**.
- The member must indicate on the application form the amount of service credit to be purchased, up to five (5) years, and the scenario under which it is to be used. The scenario choices are:
  1. Extend creditable service;
  2. Attain eligibility for early or normal retirement;
  3. Use up to four (4) years only for Back-DROP purposes;
  4. Use purchase of service credit for combined purpose of attaining retirement eligibility service and Back-DROP.
- On the day such purchase is completed, the member shall terminate employment and retire. Retirement shall be effective on the next business day following the purchase.

MILITARY SERVICE CREDIT

Regular and Non-regular Military Service *[R.S. 11:153A – 153L]*

Any member may purchase credit for regular or non-regular military service, performed at a time while not a contributing member of the Pension Fund, subject to the following:

- Regular military service means any state or federal full-time active-duty military service. A Form DD214 is required to certify the period of active duty and service accrued.
- Non-regular military service means any state or federal military service, which was not regular service, for which retirement points are assigned for participation in such service and includes, but is not limited to, duty served in the state national guard, coast guard, or any reserve component of the United States armed forces. A statement of retirement points issued by the member's respective military branch is required to certify the creditable points earned.

- Any member may purchase up to four years of either regular or non-regular military service, or a combination of both, not to exceed four years total. Application, with proof of the inclusive dates and/or retirement points must be submitted to the Pension Fund.
- In order to obtain credit for such military service, the member must pay into the Fund, an amount based on the actuarial value of the service to be purchased.
- No member may purchase credit for military service if he has previously received credit for such service in any other public retirement system or fund domiciled in this state, if he is receiving any form of retirement benefits from that system or fund. **Note:** Members of the Sheriffs' Pension Fund are entitled to purchase credit for military service regardless of whether the member has previously received credit for such service in the retirement plan for the armed forces of the United States, from which the member is drawing a regular retirement benefit based on age and service. [R.S. 11:153H]
- Military service credit obtained under these provisions **cannot be used for purposes of acquiring. eligibility for disability or survivor's benefits, and** shall only be used for purposes of acquiring eligibility for normal (regular) retirement benefits, provided that such military service credit **cannot be used to meet the minimum eligibility requirement of any regular retirement of twenty years or less.**
- Military service credit cannot be used as the highest 36 or 60 successive months or the highest successive joined months of employment where interruption of service occurred, in computing the average compensation for retirement benefit computation.

Military Service Relief Act and USERRA *[R.S. 29:411 - R.S. 29:415.1]*

- **Act 6 of the First Extraordinary Session of 1991** provided for a broad range of benefits for persons who left covered employment to enter active military service for the security of the nation. That Act became effective for military service rendered on and after August 3, 1990, to include service in Operation Desert Shield/Desert Storm. Special rules and provisions, in compliance with the **Uniformed Services Employment and Reemployment Rights Act (USERRA**), became retroactively applicable as of October 13, 1994, to persons whose active membership in the retirement system or pension fund is or was interrupted as a result of leaving covered employment to enter active military service.
- **USERRA** applies to voluntary or involuntary military service in peacetime as well as wartime.
- If you enter active military service while a contributing member of the Sheriffs' Pension Fund, you should contact the Pension Fund office as soon as possible in order to obtain information regarding continued membership status in the Fund or the purchase of such military service credit if you are/were on a leave-without-pay status. For purposes of this Act, "military service" also means state active duty by members of the National Guard who are activated pursuant to a call of the governor as provided for in *R.S. 29:7*.
- Any person who completes his military service and applies for reemployment with the sheriff's office within 90 days of being released from military service or discharge from hospitalization incidental to the military service, is entitled to receive creditable service for such period of military service toward vesting and computation of benefits in the Pension Fund. In general, a member may purchase credit for such service in the uniformed services for a cumulative period of up to five years. However, there are several exceptions. If the period of service to be purchased exceeds the five-year period, please contact the Pension Fund for additional information regarding the exceptions.
- In order to maintain accrual of membership service credit while on active duty, any member who enters active military duty while a contributing member of the Pension Fund may, at his option, pay the required employee contributions that would have been remitted to the Pension Fund during the period of military service. The member must timely submit to his employing sheriff's office the amount that would have been deducted from his compensation for employee contributions. Upon receipt, the sheriff's office must remit the employee's contributions together with the employer contributions that would have been contributed. The member must notify the sheriff's office at the time he enters military service of his election to pay the required employee contributions while on military duty.
- Any member, who did not elect to make employee contributions as stated above, is entitled to receive credit for military service toward establishing retirement eligibility and for computation of benefits by paying to the Pension Fund of an amount equal to the employee contributions that would have been paid had he not entered military service. Upon payment of the employee contributions, the employer **must pay** to the Pension Fund an amount equal to the employer contributions that the employer would have paid had the member not entered military service, together with interest at the board-approved valuation rate in effect at the time of payment (currently 7.00%). The employer contributions and interest due must be paid within 30 days after the employee has paid his portion. A Form DD214 is required to certify the period of active duty.

- All employee contributions due for military service credit under these provisions must be received by the Pension Fund within the lesser of five years or three times the length of service in the uniformed services. Additionally, contributions to purchase this credit must be made while the member is employed with the post-service employer.
- Should the member fail to make the required contributions within the described period of time, such military service credit will only count toward determining his eligibility for a retirement benefit and will not be included for the computation of such benefits.

Obtaining Military Records

The **Department of Veterans Affairs** (VA) does not retain veterans' military service records. Military service records are kept by the National Personnel Records Center (NPRC), St. Louis, Missouri, which is under the jurisdiction of the **National Archives and Records Administration.** To request military service records, complete **Standard Form 180, Request Pertaining to Military Records.** Fill in as much information as possible and send it by U.S. mail to the correct address listed on the form. It may take up to six months for a reply from NPRC after a written request is received. However, if you have a personal computer and want to expedite the procedure, you may access this application at: **www.archives.gov/veterans/military-service-records** *[Source: Department of VA Affairs]*

METHODS OF PAYMENT FOR PURCHASES OF SERVICE CREDIT

Out-of-Pocket Funds

Payment due the Pension Fund to repay a refund, purchase prior service, purchase out-of-state service, or purchase military service credit may be paid with "out-of-pocket" funds. Payment submitted by personal check, money order, or cashier's check represent "already taxed" dollars and will be recorded as a "non-taxable" contribution to the Pension Fund. As such, those amounts will not be reflected as taxable income when benefits become payable. However, non-taxable contributions are not recovered "tax-free" all at once. Those contributions are spread over a number of years according to IRS tables based on the member's age at the time of retirement and the amount of his non-taxable contributions/payments.

The tax Form 1099R issued annually to benefit recipients will reflect the "gross" amount of your benefit payments as well as the "taxable" portion of those benefit payments.

Rollover Election

A member purchasing any type of creditable service listed above may elect to have funds rolled over from another tax-qualified plan, an IRA, §457 plan, §403(a) or §403(b) plan, or §401(k) plan. Rolled over funds represent contributions that have not been taxed (tax-deferred) and, as such, will remain untaxed (tax-deferred) until such time that the member begins to receive benefits.

Note: Payments to purchase creditable service are to be made in one lump-sum payment, except in the case of repayment of a refund of four or more years, which may be paid in two installments.

SERVICE IN OTHER PUBLIC RETIREMENT SYSTEMS

Any member who has service credit in more than one state, parochial, or municipal retirement system in Louisiana, may apply for either a reciprocal recognition of service agreement or a transfer of service credit.

For purposes of either a reciprocal recognition of creditable service agreement or a transfer of creditable service, a member of any state, parochial, or municipal retirement system in Louisiana having credit for at least six months in any other such system may repay refunded contributions, plus compounded interest at the board-approved actuarial valuation rate thereon from the date of refund until paid, to any other state, parochial, or municipal retirement system in order to reestablish such credited service. *[R.S. 11:144]*

Reciprocal Recognition of Creditable Service *[R.S. 11:142]*

- A reciprocal agreement is the recognition of creditable service in one retirement system by another retirement system and involves no cost to the member, other than to repay a prior refund, if needed in order to restore canceled creditable service in the other system.

* A member may make written application to his current system for a reciprocal recognition of service agreement at any time after becoming a member of his new system; however, such other credited service will not be recognized until the member has earned at least six months service credit in the current system. Additionally, an eligible survivor may apply for a reciprocal recognition of service after the death of the member.
* No more than one year of membership service may be credited for any one calendar or fiscal year, and there cannot be any duplication of membership service credit for any period, including military service.
* Each system considers the member's established service credit in the other system when determining eligibility for regular retirement, disability retirement, and survivor's benefits. Each system keeps the contributions paid to it. Upon application for retirement or other benefits, each system pays the member a benefit based on the service credit and average final compensation earned in that system only.
* **Eligibility for retirement or other benefits requires that the member must meet the highest age and years of service requirements of each system in which he has service credit.** However, service in any one system sufficient to meet the eligibility requirements of that system shall qualify the member for benefits from that system. A member cannot receive benefits from any one system so long as he is contributing to another system in which service is being recognized.

Example: If a member of the Sheriffs' Pension Fund has established a reciprocal agreement with the Municipal Police Employees' Retirement System (MPERS), under MPERS, eligibility for regular retirement at the youngest possible age requires that a member must have at least 25 years of service credit, regardless of age. Sheriffs' Pension Fund requires that the member must have at least 30 years of service credit in order to retire without regard to age if hired prior to January 1, 2012. Under the reciprocal agreement, if the member has at least 25 years of combined service credit, but less than 30 years, the member will not be eligible to retire from both systems regardless of age because he has not met the highest requirement of the two systems, that being having at least 30 years of combined service credit.

Transfer of Creditable Service *[R.S. 11:143]*

- A transfer of creditable service (commonly referred to as an "actuarial" transfer) involves the transfer from one system to another of the member's service credit, and accumulated employee and employer contributions, plus applicable interest. This type of transfer allows an active member with service credit in two or more state, parochial or municipal retirement systems to combine the service credits and funds accrued in other system(s) with the service credit and contributions accumulating in his current retirement system.
- In the event the member has **six months or more of concurrent service** in the transferring and receiving systems, the concurrent service in the transferring system and the funds attributable to such service will remain in the transferring system. If the member has **less than six months of concurrent service** in both systems, the concurrent service in the transferring system will be canceled and the funds attributable to such service will be transferred to the receiving system.
- The current retirement system assumes the full liability of paying future benefits based on total service credit; however, the retirement percentage (accrual) rate of the transferring system will be used by the receiving system to compute retirement benefits for the credit so transferred. If the transferred percentage (accrual) rate is less than the accrual rate provided by the Sheriffs' Pension and Relief Fund, the member has the option to "upgrade" the transferred accrual rate to the current accrual rate of the Sheriffs' Pension Fund by paying the actuarial cost of such upgrade. If after this initial purchase, the member attains eligibility for an accrual rate higher than the rate previously purchased, the member may elect to execute an additional purchase for the purpose of applying the higher rate to the transferred service credit by paying the amount established in accordance with R.S. 11:158(C). *[R.S. 11:2174.2]*
- After the date on which the transfer is completed, the retirement system, fund, or plan from which the member transfers will have no future liability with respect to the person who transferred.
- In order for an actuarial transfer to be completed, the member's current system must receive an amount equal to the actuarial liability of paying the future benefit. The transferring system will transfer an amount that is the lesser of the following:
    1. The greater of the actuarial cost to the receiving system for the service transferred, or all employee contributions from the transferring system; or
    2. All employee contributions, all employer contributions, plus interest thereon at the board- approved actuarial valuation rate of the transferring system, compounded annually.
- If the amount of funds transferred is less than the amount required to cover the actuarial liability of the service transferred to the receiving system, the member must pay the deficit or difference in order to receive full service credit for the service being transferred. In lieu of paying the deficit or difference, the

member may, at his option, and at the time of transfer, agree to accept prorated service credit based on the amount of funds actually transferred from the other system.

Any member actively contributing to the Sheriffs' Pension Fund and who has earned at least twelve months of creditable service, may apply for an actuarial transfer of service by making written application. A survivor, heir, or estate shall not be allowed to request a transfer on a deceased member's behalf; however, in the event a member dies after written application for a transfer of creditable service is received, a transfer shall be considered as completed the day before the death of the member. *[R.S. 11:143H(2)(a)(b)]*

Effective January 1, 1999, active members of any public retirement system may apply for a "reverse" transfer. A "reverse" transfer is the transfer from the retirement system or fund to which the member is currently contributing back to the retirement system or fund to which he last contributed. Such a "reverse" transfer may only be executed once and must be executed immediately prior to retirement from the receiving system. Once the "reverse" transfer is completed, the member is retired from the receiving retirement system and becomes ineligible for membership in the transferring system.

RETIREMENT BENEFIT PROVISIONS

Regular, Reduced and Deferred Retirement - General Provisions

Application Process *[R.S. 11:2178C]*

- Any member whose first employment making him eligible for membership in the system began prior to January 1, 2012, is eligible for normal (regular) retirement if the member has:
- 12 years or more of creditable service and has attained age 55, or
- 30 years or more of creditable service, without regard to age.
- May elect to receive an actuarially reduced benefit to provide an automatic 2.5% cost-of-living adjustment annually.
- An active, contributing member may retire with an actuarially reduced benefit at age 60 or older with at least 10, but less than 12, years of creditable service.

Any member whose first employment making him eligible for membership in the system began on or after January 1, 2012, is eligible for normal (regular) retirement if the member has:

- 12 years or more of creditable service and has attained age 62, or
- 20 years or more of creditable service and has attained age 60, or
- 30 years or more of creditable service and has attained age 55.
- May elect to receive an actuarially reduced benefit to provide an automatic 2.5% cost-of-living adjustment annually.

Deferred Benefit — any member who has at least 12 years of creditable service, and who terminates covered employment before attaining normal retirement age is entitled to a deferred retirement beginning at age 55 for those hired prior to January 1, 2012 or age 62 for those whose first employment making him eligible for membership in the system began on or after January 1, 2012. The deferred benefit will be computed the same as if he had retired in service on his 55th or 62nd birthday. In order to be eligible for a deferred benefit, the member cannot have withdrawn his contributions from the Fund. Additionally, the member's written application must be received by the Pension Fund before the retirement benefit may become effective.

Retirement benefits normally become effective on the day after the member terminates employment with a sheriff's office, if the member is fully vested as to the minimum service and age requirements. In the case of a deferred retirement, the retirement benefit becomes effective on the day the age requirement is attained, provided the application was timely filed.

It usually takes about four weeks to process a regular retirement application, provided all forms and required documents have been timely filed. It is recommended that the member communicate with the Pension Fund, in writing, at least 30 to 60 days prior to retirement to request an estimate of retirement benefits payable as of a certain date, and to inquire as to what documents will be required. Birth or baptismal certificates for the member and spouse, marriage certificate, petition for divorce, judgment of divorce and property settlement papers, and/or spouse's death certificate, if applicable, are among documents required.

If a member was married during all or a portion of his employment in a sheriff's office, and has filed for divorce or is divorced from his former spouse(s), the former spouse(s) may have a claim to a portion of the member's benefit at retirement, provided a property settlement (partition of community property) has

been filed that otherwise addresses, or stipulates to the division of the member's contributions or benefit. Members are urged to address the division of Pension Fund assets in a Partition of Community Property at the time of filing for divorce in order to avoid any delays in processing their application for retirement.

In the event a properly filed Partition of Community Property document provides that the former spouse of a retired member is recognized as having a community interest in the member's retirement account, the former spouse is required to furnish a copy of a "Qualified Domestic Relations Order" (QDRO) to the Pension Fund. A QDRO provides the authority and method under which the Pension Fund is to divide the member's benefit with the former spouse as an alternate payee. The QDRO must be furnished to the Pension Fund according to the following **Administrative Rule**:

To be effective as to the Louisiana Sheriffs' Pension and Relief Fund, any court order or judgment issued upon or after the termination of a community property regime which order or judgment recognizes the community interest of a spouse or a former spouse of a member or retiree of the Louisiana Sheriffs' Pension and Relief Fund and provides that a benefit **or** return of employee contributions be divided by the Louisiana Sheriffs' Pension and Relief Fund with the spouse or former spouse, shall be:

(a) considered to be received by the Louisiana Sheriffs' Pension and Relief Fund under La. R.S. 11:291(B) only if a certified copy of the order is served on the Executive Director or the Assistant Executive Director of the Fund by the Sheriff of East Baton Rouge, and

(b) specific to the Louisiana Sheriffs' Pension and Relief Fund. A court order purporting to divide a member's or retiree's benefits and/or employee contributions between the member/retiree and former spouse that does not specifically identify the Louisiana Sheriffs' Pension and Relief Fund by name shall not be effective as to said Fund.

Computation of Benefits and Option Plans with Examples

The formula for computing retirement benefits is:

Accrual rate x final average compensation x creditable service = Maximum Benefit

The retirement benefit cannot exceed 100% of the average monthly salary of the member. Average monthly salary (final average compensation) is defined as:

(1) For a member whose first employment making him eligible for membership in LSPRF began on or before June 30, 2006, the member's average monthly salary shall be the 36 highest successive months of employment, or the highest 36 successive joined months of employment where interruption of service occurred.

    The earnings to be considered for the 13th through the 24th month cannot exceed 125% of the earnings of the 1st through the 12th month. The earnings to be considered for the 25th through the 36th month cannot exceed 125% of the earnings of the 13th through the 24th month. [R.S. 2178A(1)]

(2) For a member whose first employment making him eligible for membership in LSPRF began on or after July 1, 2006, the member's average monthly salary shall be the 60 highest successive months of employment, or the highest 60 successive joined months of employment where interruption of service occurred. [R.S. 11:2178A(2)]

(3) For a member whose first employment making him eligible for membership in LSPRF began on or after July 1, 2013, the member's average monthly salary shall be the highest 60 successive months of employment, or the highest 60 successive joined months of employment where interruption of service occurred.

    The earnings to be considered for the 13th through the 24th month cannot exceed 115% of the earnings of the 1st through 12th month. The earnings to be considered for the 25th through the 36th month cannot exceed 115% of the earnings of the 13th through the 24th month. The earnings for the 37th through the 48th month cannot exceed 115% of the earnings of the 25th through the 36th month. The earnings for the final twelve months cannot exceed 115% of the earnings of the 37th through the 48th month. [R.S. 11:2178A(3)]

Any member who meets the eligibility requirements for regular, deferred or early retirement may elect to receive his benefit in an equal monthly retirement benefit payable throughout life **(Maximum)**, or he may elect to receive the actuarial equivalent at the time of retirement in a reduced equal monthly retirement benefit payable throughout life **(Optional Plan)**. The reductions from the Maximum under the various optional plans are based on the ages of the member and the spouse/beneficiary at the time of retirement. The spouse eligible to receive monthly benefits upon the death of the retiree must be designated as the beneficiary in the application for retirement. Retirement options, with example benefit amounts, are explained as follows: *[R.S.11:2178I]*

Example benefit amounts are based on 22 years creditable service, a final average compensation of **$2,500.00 per month, and total employee contributions of $35,000.00. The member is age 60 and the spouse is age 58.** ***Note: examples are for illustration purposes only, and are not intended to reflect actual benefits payable to any individual member.***

Maximum Plan is the result of the retirement formula. The Maximum plan pays the largest monthly benefit the retiree is eligible to receive for his lifetime, but does not provide for a monthly benefit to the retiree's spouse (beneficiary) after the retiree's death. **All monthly benefits cease upon the death of the retiree.** However, if the retiree dies prior to receiving in retirement benefits an amount equal to his employee contributions paid into the system before retirement, his designated beneficiary or estate will receive the difference in one lump-sum payment. After payment of retirement benefits for approximately **10 to 20 months**, there would be no funds remaining to pay a beneficiary upon the death of the retiree; however, the retiree will continue to receive his benefit for his lifetime.

Example (hired prior to January 1, 2012): 3.3333% x $2,500.00 x 22 years = $1,833.32 per month to retiree. Contributions would be depleted after 19 months ($35,000 ÷ $1,833.32).

Example (hired after January 1, 2012): 3.0000% x $2,500.00 x 22 years = $1,650.00 per month to retiree. Contributions would be depleted after 21 months ($35,000 ÷ $1,650.00).

Option 1 pays the retiree a lifetime retirement benefit that is slightly reduced from the Maximum. Option 1 does not provide a monthly benefit to a surviving spouse (beneficiary) but, instead, pays a lump-sum refund of the unused portion of the retiree's accumulated contributions to the designated beneficiary or estate upon his death. This plan differs from the Maximum in that only a *portion* of the retiree's monthly benefit, rather than the entire amount, is charged to his accumulated contributions. Based on the member's age at the time of retirement and the amount of his contributions, the return of the member's employee contributions is distributed over a longer period and the contributions are usually depleted after approximately **nine to 12 years.** If the member lives past the point of depleting his contributions, the retiree's retirement benefit continues in the same amount for the remainder of his life, but there will be no remaining contributions to pay to a beneficiary or estate upon the retiree's death.

Example (hired prior to January 1, 2012): $1,833.32 - $12.26 reduction = $1,821.06 per month to retiree. Contributions deplete at $275.07 per month; will be depleted after 10.60 years ($35,000.00 ÷ $275.07 = 127.24 months ÷ 12).

Example (hired after January 1, 2012): $1,650.00 - $12.26 reduction = $1,637.74 per month to retiree. Contributions deplete at $275.07 per month; will be depleted after 10.60 years ($35,000.00 ÷ $275.07 = 127.24 months ÷ 12).

Option 2 pays the retiree a retirement benefit that is somewhat reduced from the Maximum. The reduction is based on the ages of the retiree and his spouse. Upon the death of the retiree, the same amount of the retiree's benefit will be continued throughout the life of and paid to the spouse to whom the member was married and living with at the time of retirement. (Commonly referred to as 100% survivorship).

Example (hired prior to January 1, 2012): $1,833.32 x .85218 age factor = $1,562.32 per month to retiree. Surviving spouse receives same $1,562.32 per month (100%). Amount to retiree **does not** change if the spouse predeceases retiree.

Example (hired after January 1, 2012): $1,650.00 x .85218 age factor = $1,406.10 per month to retiree. Surviving spouse receives same $1,406.10 per month (100%). Amount to retiree **does not** change if the spouse predeceases retiree.

Option 2A pays the same type benefit as the regular Option 2 (100% survivorship) except that the reduction from the Maximum will be slightly greater in order to provide that if the spouse predeceases the retiree, the retiree's benefit amount will "pop-up" to the unreduced amount that would have been payable under the Maximum Plan to be effective no earlier than the first day of the next month following the spouse's death. The retiree is responsible to timely notify the Pension Fund of the death of their spouse, to furnish the spouse's death certificate, and to request the change from the Option 2A benefit to the Maximum. Adjustment of benefits under Option 2A is not retroactive and will be effective on the first day of the next month following receipt of the death certificate and the retiree's written request to change his option due to the spouse's death.

Example (hired prior to January 1, 2012): $1,833.32 x .83825 age factor = $1,536.78 per month to retiree. Surviving spouse receives same $1,536.78 per month (100%). Benefit amount will **"pop- up"** to $1,833.32 per month for the retiree if the spouse predeceases retiree.

Example (hired after January 1, 2012): $1,650.00 x .83825 age factor = $1,383.11 per month to retiree. Surviving spouse receives same $1,383.11 per month (100%). Benefit amount will **"pop-up"** to $1,650.00 per month for the retiree if the spouse predeceases retiree.

Option 3 pays the retiree a retirement benefit that is reduced from the Maximum, but not as much as for Option 2. The reduction is based on the ages of the retiree and his spouse. Upon the death of the retiree, one-half (50%) of the amount of the retiree's benefit will be continued throughout the life of and paid to the spouse to whom the member was married and living with at the time of retirement. (Commonly referred to as 50% survivorship).

Example (hired prior to January 1, 2012): $1,833.32 x .92019 age factor = $1,687.00 per month to retiree. Surviving spouse receives $843.50 per month (50%). Amount **does not** change if the spouse predeceases retiree.

Example (hired after January 1, 2012): $1650.00 x .92019 age factor = $1,518.31 per month to retiree. Surviving spouse receives $759.16 per month (50%). Amount **does not** change if the spouse predeceases retiree.

Option 3A pays the same type benefit as the regular Option 3 (50% survivorship) except that the reduction from the Maximum will be slightly greater (but not as much as for Option 2A) in order to provide that if the spouse predeceases the retiree, the retiree's benefit amount will "pop-up" to the unreduced amount that would have been payable under the Maximum Plan to be effective no earlier than the first day of the next month following the death of the spouse. The retiree is responsible to timely notify the Pension Fund of the death of his spouse, to furnish the spouse's death certificate, and to request the change from the Option 3A benefit to the Maximum. Adjustment of benefits under Option 3A is not retroactive and will be effective on the first day of the next month following receipt of the death certificate and the retiree's written request to change his option due to the death of his spouse.

Example (hired prior to January 1, 2012): $1,833.32 x .91201 age factor = $1,672.00 per month to retiree. Surviving spouse receives $836.00 per month (50%). Benefit amount will **"pop-up"** to $1,833.32 for the retiree if the spouse predeceases retiree.

Example (hired after January 1, 2012): $1,650.00 x .91201 age factor = $1,504.82 per month to retiree. Surviving spouse receives $752.41 per month (50%). Benefit amount will **"pop-up"** to $1,650.00 for the retiree if the spouse predeceases retiree.

Option 4 pays some other benefit or benefits, either to the retiree or to the spouse to whom the member was married and living with at the time of retirement, if living, or to the minor child or children, until the age of majority, or to the disabled child or children as long as the disability exists, otherwise to such other dependent as the member nominates until the age of majority or for a period of ten years, whichever is greater. The benefit amounts payable to the retiree and his designated beneficiary/beneficiaries are computed by the Pension Fund's actuary and approved by the Board.

Example: not available as this is a special option to be computed by the actuary under particulars determined by the retiree.

Option 5 pays 90% of the member's Maximum benefit to the retiree throughout life. Upon the death of the retiree, one-half (50%) of the amount of the retiree's benefit will be continued throughout the life of and paid to the spouse to whom the member was married and living with at the time of retirement. The ages of the retiree and spouse are not a factor under Option 5.

Example (hired prior to January 1, 2012): $1,833.32 x .90000 statutory factor = $1,649.99 per month to retiree. Surviving spouse receives $825.00 per month (50%). Benefit amount does not change if the spouse predeceases retiree. In this example, Option 5 would not pay a higher benefit for 50% survivorship compared to Option 3.

Example (hired after January 1, 2012): $1,650.00 x .90000 statutory factor = $1,485.00 per month to retiree. Surviving spouse receives $742.50 per month (50%). Benefit amount does not change if the spouse predeceases retiree. In this example, Option 5 would not pay a higher benefit for 50% survivorship compared to Option 3.

Option Selection; Effective Date; Change of Option and/or Beneficiary

No option will become effective before the date specified by the member in the application for retirement and **no change in the option selected will be permitted after the application has been officially filed with the Pension Fund**; however, any member who has made an error in the selection of a retirement option, without consideration of events subsequent to the date of retirement, will be permitted to make a one-time change in the option selected provided a written request is made within a one-year period after the effective date of retirement. *[R.S. 11:2178I(2)]*

The spouse must sign the option selection form indicating that she/he agrees with the option selected by the member. Since the optional plans of retirement, except Option 1, provide that benefits continue to the spouse to whom the member was married and living with at the time of retirement, a retiree cannot change the designation of his beneficiary after the effective date of retirement.

If any optional plan of retirement is selected, and the retiree's spouse was designated as the beneficiary, and a judgment of divorce is rendered with respect to the retiree and the spouse to whom the member was married and living with at the time of retirement, and, in connection therewith, **the spouse irrevocably, by court order, relinquishes the spouse's survivorship rights under the option originally selected by the retiree**, the originally selected option will be considered revoked and the retiree will be considered as retired under the **Maximum** benefit, subject to reduction as provided, and **without affording the retiree the right to select an option under which the retiree could designate a new beneficiary.** *[R.S. 11:2178I(3)]*

- The benefit payable to the retiree will be increased to the amount the retiree would have received had he selected the Maximum benefit, adjusted for any cost-of-living increases granted to the retiree, less any amount required as a result of such change in retirement status to render the new benefit to be the actuarial equivalent of the Maximum benefit.
- The retiree will be required to reimburse the Pension Fund, by way of a one-time deduction from the retiree's next benefit check, the reasonable cost incurred by the system's actuary to have these calculations made.
- The retiree will be required to contractually hold the Pension Fund harmless in the event that the former spouse ever successfully asserts a property right relative hereto which has any adverse effect on the Pension Fund.
- It is the responsibility of the retiree to notify the Pension Fund of these circumstances, to present satisfactory evidence of same, and to request the re-computation of benefits.
- Adjustment of benefits under the above provisions will not be retroactive, and will be effective on the first day of the next month following official approval of the application for re-computation of benefits.

Overpayment of Benefits; Corrections; Recovery of Funds *[R.S. 11:192]*

Should the Pension Fund pay any amount to a retiree, beneficiary or survivor that was not due to that individual, the Pension Fund has the authority to adjust the future amount payable to the correct amount and to recover the overpayment within a reasonable number of months. The recipient must be given 30-day written notice prior to any reduction in the benefit amount.

Cost-of-Living Adjustment (COLA) *[R.S. 11:2178K and R.S. 11:242]*

The Board of Trustees is authorized to use earnings on investments of the Fund in excess of normal requirements, as determined by the actuary and approved by the Board of Trustees, to provide a cost-of-living adjustment for retired and disabled members and survivors who have been receiving benefits for at least one full calendar year (January-December) prior to the granting of the COLA, under the following conditions:

(1) The COLA will be in a monthly amount not to exceed 2.5% of the normal monthly benefit payable to the recipient on the date the increase is granted.

(2) The dollar amount of the COLA for any recipient shall not exceed five percent of the average monthly benefit in payment to all service retirees as of the end of the preceding fiscal year.

(3) No COLA will be granted in any fiscal year under these provisions if a COLA has been granted under such provisions in the immediately preceding fiscal year.

(4) (a) Any member who retires and who has not attained age 60 will be subject to a three-year waiting period from the date of retirement to become eligible for a COLA.

(b) Any member who is retired and who attains age 60 subsequent to retirement will be eligible for a COLA after at least one full year from the member's 60th birthday.

(c) Any member retiring on or after attaining age 60 will be eligible for a COLA after at least one full calendar year from the date of retirement.

(5) A person receiving a benefit based on a reciprocal recognition agreement will be granted the COLA based upon that portion of the creditable service attributable to this Pension Fund if such credit is less than 12 years.

In addition to the COLA described above, the Board of Trustees may grant a supplemental COLA to all retirees and survivors who are age 65 and over in an amount equal to 2% of the **original** benefit amount. *[R.S. 11:2178(K)(2)(b)]*. However, the board shall not grant both the 2.50% COLA and the 2% COLA within the same fiscal year.

Cost-of-Living Adjustments, if approved by the Board of Trustees, the Fund's actuary, and certain Regulatory Agencies, may be granted in January of each year authorized, provided the Pension Fund had investment earnings for the prior fiscal year above the required **actuarial*** rate of return (currently 7.0%) in an amount sufficient to fund the lifetime cost of the COLA so approved. Additionally, the Fund has to meet certain target amounts established by law to reduce its unfunded accrued liability as well as other funding requirements set by law. [R.S. 11:243]

* For purposes of determining whether a COLA may be granted, the "actuarial rate of return" (interest rate), represents a "smoothing" of interest returns for the immediately preceding five years. This method of determining the rate of return on investments allows the actuary to "spread out" major swings in the investment market (gains and/or losses) over a five-year period, rather than recognizing such effects all in one year, in order to maintain consistency in setting the contribution rate for employers (Sheriffs' Offices) annually. This "smoothing" also provides consistency in investment returns to assist the Fund in meeting eligibility requirements for granting COLAs.

Permanent Benefit Increases (COLAs) may also periodically be granted under certain circumstances when specific requirements are met and reserves from supplementary contributions are sufficient to fully prepay the present value of the total cost of the benefit in order to avoid increasing the Plan's future liabilities. This is structured to protect the long term stability of the Plan and your monthly benefit for the long term future. Funds used to pay this type of PBI (COLA) must be released to general assets of the Plan to offset the liability generated by any PBI (COLA) at the time it is granted to eligible members. Funds in this reserve account are also provided by law for other purposes and cannot be always guaranteed to be available for this purpose.

Income Tax on Monthly Benefits

Monthly benefits are subject to federal income tax. However, some of the member's contributions may represent "after-tax dollars", which are not taxable when drawn as monthly benefits. The portion of the member's total contributions that has already been taxed is returned to the retiree as "non-taxable" over a period of years as determined by federal tax exclusion tables. Those tables utilize the amount of the member's non-taxable contributions and the age of the member or the ages of the member and spouse at the time of retirement if an option, other than Option 1, was selected.

The Pension Fund withholds federal income tax from pensions and benefits as directed by the recipients. The Fund is required to withhold at the "married with three allowances" rate if the retiree fails to notify the Pension Fund of the amount to withhold. Usually, that rate will not provide sufficient withholding for the recipient to avoid having to pay additional tax with his federal income tax return. Form W-4P is available from the Pension Fund office to request withholding or to change the amount. Requests for a change in withholding must be made in writing and signed by the recipient, either by submission of a Form W-4P or by letter. Form W-4P is available on our website at **www.lsprf.com.**

Exemption of Benefits from Execution *[R.S. 11:2182]*

Retirement (pension), survivor and disability benefits, and refunds of contributions, received from the Sheriffs' Pension Fund are exempt from Louisiana state income tax and municipal tax. The exemption is not automatic and must be claimed by filing Schedule E with your Louisiana Income Tax Return (Form IT-540) every year.

Additionally, any pension or other benefit, or refund of contributions paid to any person under the provisions of Sheriffs' Pension Fund is exempt from levy and sale, garnishment, attachment, or any other process whatsoever, except for child support payments *[R.S. 11:292]*, and is unassignable. The Internal Revenue Service can require the Pension Fund to withhold amounts for past due federal taxes, interest, and penalties.

Direct Deposit of Monthly Benefits *[R.S. 11:2180.4]*

Benefits payable under the provisions of the Pension Fund must be paid through electronic funds transfer. Any benefit recipient, or the legal representative thereof, may seek an exception to this payment method by submitting written certification to the Board of Trustees that electronic funds transfer would impose a hardship due to a physical disability or geographic barrier, or would impose a financial hardship.

Benefits paid through electronic funds transfer are deposited to either a checking or savings account at any financial institution that is a member of the Automated Clearing House (ACH) System. Directly deposited benefit payments are available on the first banking day of each month. Benefit checks for recipients not using direct deposit are mailed the last business day of the preceding month and are payable on the first of each month. Benefit payments are dated the first day of the month and represent payment for that entire month.

Retirement Option Providing Automatic Cost-of-Living Adjustment *(COLA) [R.S. 11:247]*

Upon application for retirement, other than for retirement with Back-DROP or disability retirement, any member may elect to receive an actuarially reduced retirement allowance plus an annual two and one-half percent **(2.5%)** cost-of-living adjustment (COLA). Such election shall be irrevocable after the effective date of retirement. A disability retiree shall be eligible to elect this retirement option upon conversion to a service retirement, if applicable.

- The monthly retirement allowance, together with the COLA, shall be certified by the Pension Fund's actuary to be the actuarial equivalent to the member's maximum or optional retirement allowance and shall be approved by the Board of Trustees.
- The actuarial reduction is estimated to be approximately twenty percent (20%) of the regular benefit.
- The **2.5%** COLA shall be effective annually on the retirement anniversary date of the retiree and shall be payable to any retiree who is age **55** or older and not before the retiree would have attained such age if the spouse is receiving the benefit as the designated beneficiary.
- The annual COLA for such retiree shall be based on the monthly benefit being paid on the effective date of the increase, inclusive of cost-of-living adjustments paid pursuant to this provision but exclusive of cost-of-living adjustments paid pursuant to any other provision of law.
- If the retiree selected an optional retirement allowance wherein the spouse who has been designated as beneficiary will receive a continuing benefit upon the retiree's death, the spouse's COLA shall be payable based on the spouse's allowance on the effective date of the increase.
- Additional COLAs granted by the Board of Trustees, as otherwise provided by law, shall be computed on the basis of the retiree's benefit amount on the date such COLA is granted. If an additional COLA is scheduled to be effective on the same day as the annual COLA, the annual COLA shall be calculated first.
- Upon application for retirement and upon certifying that he is contemplating availing himself of the provisions of this Section, a member may request that the Pension Fund provide actuarial estimates of the benefits that such member would receive under this Section for the 5^{th}, 10^{th}, and 15^{th} year following the member's anticipated retirement date.

Reduced Retirement at Age 60 With 10 Years' Service Credit *[R.S. 11:2178(C)(5)]*

Any active, contributing member whose first employment making him eligible for membership in the system began prior to January 1, 2012, who has completed ten (10) years of service, has attained the age of sixty, and is not in deferred (inactive) status, will be eligible for a reduced retirement benefit equal to the member's accrued regular retirement benefit reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service. A member who elects to retire under this provision shall not be eligible to participate in Back- DROP.

Example: Active member is age **61** and date of employment was October 1, 2009, Earliest date of regular retirement eligibility with 12 years of creditable service would be October 1, 2021. Member terminates employment on June 30, 2020, with a total of 10.74795 years of creditable service and a final average salary of $2,500.00 per month. Computation of benefit:

			Year	Mo	Day
				9	30
Date eligible to retire with 12 yrs	=	10/01/2021	2021	~~10~~	~~01~~
Date of termination	=	06/30/2020	2020	06	30
Period short of normal eligibility	=		1 yr	3 mos	0 days = 15 mos + 0 Days = 15 mos

(round up 1 month even if 1 day)

Actuarial factor for reduced retirement at age 61 and 15 months short of normal retirement = .88850
$2,500 x 3.3333% x 10.74795 = $895.66 (unreduced Maximum) x .88850 = $795.79 Reduced Maximum

Early Retirement (Between Ages 50 and 55) *[R.S. 11:2178C(3)(a)]*

In the event a member whose first employment making him eligible for membership in the system began prior to January 1, 2012, is eligible for deferred retirement and is at least age 50, but under age 55, and has at least 20 but less than 30 years of creditable service, the member may elect to receive, in lieu of a deferred retirement, the **actuarial equivalent** of the benefit that would be payable as if the member had attained age 55. This is commonly referred to as "early retirement". **Early retirement becomes effective on the date specified by the member on the application form or the date that the member attains age 50, whichever is later.**

The general provisions applicable to regular and deferred retirement previously discussed are applicable to early retirement.

Example: Member wishes to retire July 1, 2020, with 22 years of creditable service. Dates of service are July 1, 1998 through June 30, 2020. Member is 53 years of age and has a final average salary of $2,500.00 per month.

Normal Maximum Benefit if age 55 = ((22 years X 3 1/3%) X $2,500) = $1,833.32/month

Early Retirement Maximum = $1,833.32 X 0.83982* = $1,609.65
*Early Retirement Factor based on member's age

The member may select any Optional Plan based on the reduced Maximum benefit for early retirement.

Early Retirement (Between Ages 50 and 60) *[R.S. 11:2178C(3)(b)]*

In the event a member whose first employment making him eligible for membership in the system began on or after January 1, 2012, is eligible for deferred retirement and is at least age 50, but under age 60, and has at least 20 years of creditable service, the member may elect to receive, in lieu of a deferred retirement, the **actuarial equivalent** of the benefit that would be payable as if the member had attained age 60. **Early retirement becomes effective on the date specified by the member on the application form or the date that the member attains age 50, whichever is later.**

The general provisions applicable to regular and deferred retirement previously discussed are applicable to early retirement.

Example: Member wishes to retire July 1, 2024. Dates of creditable service total 20 years: 12 years (July 1, 2012 through June 30, 2024) with sheriff's and 8 years transferred. Member is 58 years of age and has a final average salary of $2,500.00 per month.

Normal Maximum Benefit if age 60 = ((20 years X 3.0000%) X $2,500) = $1,500.00/month

Early Retirement Maximum = $1,500.00 X 0.87023* = $1,305.35
*Early Retirement Factor based on member's age

The member may select any Optional Plan based on the reduced Maximum benefit for early retirement.

Back-Deferred Retirement Option Plan (Back-DROP) *[R.S. 11:2178.1]*

A member elects to "take" Back-DROP at the time of separation from employment to retire. At the time of retirement, the member decides whether he wants to Back-DROP and, if so, may select a Back-DROP period consisting of whole months not to exceed 36 months (3 years) or 48 months (4 years)*. The Back-DROP period will be the most recent calendar period corresponding to the member's accrued creditable service.

*Act 230 of the Regular Legislative Session of 2007, provides that effective July 1, 2007, a member who has 30 or more years of creditable service may select a Back-DROP period not to exceed the lesser of **48 months (4 years)** or the number of months of creditable service accrued after the member first became eligible for regular retirement.

Eligibility

An active contributing member who has accrued more years of creditable service than are required for a regular service retirement may make an irrevocable election at the time of retirement to receive a Back-DROP benefit.

For those members whose first employment making them eligible for membership in the system began prior to January 1, 2012, the member must have attained an age that is at least equivalent to having had attained age 55 by the **beginning** of the Back-DROP period specified, unless the member had accrued at least 30 years of creditable service by the **beginning** of the Back-DROP period.

Examples for members hired prior to January 1, 2012:

* Member retires at age 58 with 15 years creditable service. Member may Back-DROP *up to three years*, which would take the member "back" three years (or less) to a time when he would still meet the minimum age requirement of 55 years and minimum service requirement of 12 years.
* Member retires at age 59 with 32 years creditable service. Member may Back-DROP *up to four years*, which would take the member "back" four years to a time when he would still meet the minimum age requirement of 55 years and minimum service requirement of 12 years.
* Member retires at age 54 with 32 years creditable service. Member may Back-DROP *up to two years*, which is equal to the additional service credit accrued beyond the minimum requirement of 30 years at the **beginning** of the Back-DROP period in order to retire before attaining age 55.
* Member retires at age 54 with 34 years creditable service. Member may Back-DROP *up to four years*, which would take the member "back" four years (or less) to a time when he would still meet the minimum service requirement of 30 years. Age is not a consideration when a member has at least 30 years of creditable service at the **beginning** of the Back-DROP period.

For members whose first employment making them eligible for membership in the system began on or after January 1, 2012, the member must have attained an age that is at least equivalent to having had attained age 55, 60, or 62 by the **beginning** of the Back-DROP period specified. A respective minimum service requirement of 30 years, 20 years, or 12 years at the **beginning** of the Back-DROP period must also be attained.

Examples for members hired on/after January 1, 2012:

* Member retires at age 65 with 15 years creditable service. Member may Back-DROP *up to three years*, to a time when he would still meet the minimum age requirement of 62 years and minimum service requirement of 12 years.
* Member retires at age 62 with 22 years creditable service. Member may Back-DROP *up to two years*, to a time when he would still meet the minimum age requirement of 60 years and minimum service requirement of 20 years.
* Member retires at age 59 with 32 years creditable service. Member may Back-DROP *up to two years*, to a time when he would still meet the minimum age requirement of 55 years and minimum service requirement of 30 years.

Creditable service reciprocally recognized between the Sheriffs' Pension Fund and any other state, parochial or municipal retirement system cannot be used to attain eligibility for Back-DROP.

A member may qualify for Back-DROP only once. A member who has participated in the former DROP and who has not rescinded **all** of his former DROP participation period **will not** be eligible to select Back-DROP. (See "Rescission of Former DROP Participation").

Application Process

Member makes application for Back-DROP utilizing the proper forms at the time he decides to separate from employment to retire, in the same manner as if applying for regular retirement.

The member must select a Back-DROP period to be specified in whole months, not to exceed the lesser of 36 months, or 48 months provided the member has 30 or more years of creditable service, or the number of months of creditable service accrued after the member first became eligible for regular retirement. The period must be the most recent calendar period corresponding to the member's accrued creditable service.

Computation of Back-DROP/Monthly Benefit

* The Back-DROP monthly benefit will be calculated under the same provisions used to calculate a regular retirement benefit, subject to the following:
* Accrued service credit will be reduced by the Back-DROP period.
* Computation of final average compensation will exclude all earnings reported during the Back-DROP period.
* The member's Maximum monthly benefit will be calculated based upon the member's service and final average compensation as applicable on the last day of creditable service before the Back-DROP period.
* The member may elect to receive a reduced, optional monthly retirement benefit as available for regular retirement based on the member's age and the age of the spouse as of the actual date of termination of employment to retire.

- In addition to commencement of the member's monthly retirement benefit, the member will be paid a lump-sum Back-DROP benefit equal to the member's Maximum monthly retirement benefit multiplied by the number of months selected as the Back-DROP period.

Example: Member wishes to retire January 1, 2020, and selects a Back-DROP period of 24 months (2 years). Member will have 15 years of creditable service as of December 31, 2019, and will be 58 years of age. Member's final average compensation prior to Back-DROP beginning date is $2,916.67 per month. The employee's contributions during the 24 months (2 years) for the Back-DROP period totaled $7,128.00.

Maximum monthly retirement benefit
$3\frac{1}{3}\%$ x $2,916.67 = $97.22 x 13 (15 years - 2 years) = $1,263.86/month

Back-DROP balance
$1,263.86 x 24 months = $30,332.64 + $7,128.00 = $37,460.64

- Employee contributions received by the Pension Fund during the Back-DROP period will be credited to the member's Back-DROP account for distribution with the other proceeds of the Back-DROP account. Employer contributions received during that period will remain with the Pension Fund.

Methods of Distribution of Back-DROP Balance

- The member may defer receipt of all or a part of the total Back-DROP balance. The member's funds for which receipt is deferred will be transferred to LAMP (Louisiana Asset Management Pool). The member has the option to terminate participation in LAMP by requesting a distribution of his Back-DROP funds or requesting a rollover of the funds to another qualified plan.
- At retirement, the member may make a *one-time, irrevocable* election to have all or a portion of his Back-DROP balance paid as an annuity, subject to such conditions as approved by the Board of Trustees. Currently, a member may elect a 3-year, 5-year, 7-year, 9-year, 15-year, 20-year, or lifetime annuity for his Back-DROP balance. The member will have a maximum of 30 days after retirement to make a decision regarding the election to convert his Back-DROP balance to an annuity.
- Back-DROP funds paid directly to the member are subject to a 20% withholding for federal income tax. The member may be subject to a 10% early withdrawal penalty (excise tax) if he is under age 55 (or age 50 for qualified public safety employees*) at the time of withdrawal, unless he qualifies for an exemption under the Internal Revenue Code. **All** members, particularly those who are under age 55 (or 50*) at the time of retirement, should seek professional tax advice before requesting a direct distribution of Back-DROP funds.
  - Effective August 18, 2006, distributions from LSPRF may not be subject to the 10% early withdrawal penalty if you are a "*qualified public safety employee*". The term "*qualified public safety employee*" means…an employee of the State or of a political subdivision of the State (such as a parish or city) whose principal duties include services requiring specialized training in the area of police protection, firefighting services, or emergency medical services for any area within the jurisdiction of the State or the political subdivision of the State.
  - In the event a member who elects to defer receipt of all or part of the lump-sum Back-DROP payment predeceases his spouse, the surviving spouse may make a one-time irrevocable election to have all or a part of the lump-sum Back-DROP benefit paid as an annuity at a rate equal to seventy-five percent of the interest rate available to retirees and subject to such other conditions as the board of trustees may approve. For those Back-DROP participants who die on or after July 1, 2012, their surviving spouses shall have ninety days from the date of the retiree's death to make this election.

Additional Information Affecting Back-DROP Accounts

- Cost-of-living adjustments are not payable based on the Back-DROP account, lump-sum payment, or annuity payments.
- Upon the member's death, any remaining unpaid Back-DROP account balance will be paid to the member's named beneficiary, or, if none, to the member's estate.
- Upon the death of a member who selected the Maximum plan, the member's named beneficiary or, if none, the member's estate will receive the deceased member's remaining Back-DROP account balance. Should there be any remaining funds representing the difference between the member's employee contribution balance as existed on the member's date of retirement and the total of the retirement benefit payments to which he was entitled prior to death, such funds will be considered as having been recovered through payment of the remaining Back-DROP account to the beneficiary or estate.

- Upon the death of a member who selected Option 1, the member's named beneficiary or, if none, the member's estate will receive the member's employee contribution balance as existed on the member's date of retirement reduced by that portion used to pay his normal retirement benefit every month from the date of retirement through the last benefit payable to the member. The member's named beneficiary or, if none, the member's estate will receive the deceased member's remaining Back-DROP account balance, without regard to the amount due from the member's employee contribution balance on the basis of Option 1.

Rescission of Former DROP Participation *[R.S.11:2178N]*

Effective July 1, 2004, any member who participated in the former DROP program and who continued to be employed in a sheriff's office after the DROP participation period ended, and who is still employed without having retired, may make a one-time, irrevocable election to rescind all or a portion of his participation period in the former DROP program.

A member who rescinds his former DROP participation period must pay to the Pension Fund the employee contributions that would have been received had the member not been a DROP participant during the rescinded period, plus interest on those contributions at the Board-approved actuarial rate, currently 7.00% per year.

Upon payment of the amount due, the member's former DROP account is cancelled for the period rescinded and service credit for that period will be restored as if the member had never participated in DROP for that period.

In lieu of a cash or rollover payment to the Pension Fund for the amount due to rescind **all** of a member's former DROP participation period, the member may elect to have such cost deducted from his Back-DROP account, provided he retires immediately after electing to rescind his former DROP participation and makes application for Back-DROP.

A member who elects to rescind only a portion of his former DROP participation period is not eligible for Back-DROP.

Reemployment of Retirees in a Sheriff's Office

Part-Time Reemployment *[R.S.11:2175E(1)]*

- A retiree receiving a benefit from the Pension Fund may be employed by a sheriff's office on a part- time basis after retirement and continue to receive his retirement benefit, with limitations. Earnings from part-time employment cannot exceed, in a fiscal year, **50%** of the retiree's final average compensation for reemployment during the first 24 months following the date of retirement or **55%** of his final average compensation beginning with the 25th month following the date of retirement and thereafter.
- The retiree is not entitled to any additional creditable service for such part-time reemployment and no employee or employer contributions will be paid on the retiree's earnings.
- In the event the retiree earns, in any fiscal year, an amount that exceeds 50% or 55% of his final average compensation, as the case may be, payment of the retiree's monthly benefit will be suspended for the remainder of that fiscal year.

Full-Time Reemployment *[R.S.11:2175E(2)–(5)]*

- Should a retiree return to full-time employment with a sheriff's office, all retirement benefits are suspended and the retiree will once again become a contributing member of the Pension Fund.
- Upon subsequent retirement, the suspended retirement benefit will be restored to the retiree in the same amount as when suspended. In addition, the restored benefit will be increased/supplemented by an amount attributable to the service credit and average compensation earned during the period of full-time reemployment based on the computation formula in effect at the time of subsequent retirement. This supplemental benefit will be based on reemployment compensation, service credit, and age if any option other than the Maximum is selected for the supplemental benefit.
- No change in the retirement option selected by the member will be permitted as to the original retirement. However, the member will be permitted to select any option authorized at the time of subsequent retirement as to any supplemental benefit earned by virtue of reemployment.
- In the event of the reemployed retiree's death prior to subsequent retirement, payment of benefits to his surviving spouse with whom he is living at the time of death will be equal to Option 2 based on the supplemental benefit the member earned by virtue of reemployment. The deceased retiree's suspended benefit will be restored to provide the death benefit due the named beneficiary based on the option originally selected by the retiree.
- The supplemental benefit, when combined with the original benefit, cannot exceed 100% of the average compensation figure used to compute the supplemental benefit.

Full-Time Reemployment After September 9, 1988, But Not Later Than December 31, 2008 *[R.S.11:2175E(3)(b)]*

- Effective June 17, 2008, Act 271 of the 2008 Regular Legislative Session provided that, notwithstanding any other provision of law to the contrary, any retiree who returned to full-time employment after September 9, 1988 but not later than December 31, 2008, and who continued to work full-time for a minimum of three years as an active contributing member of the Pension Fund, may choose to have his benefits recalculated by repaying all retirement benefits received from the Fund, plus interest at the board-approved actuarial valuation rate (currently 7.00% compounded annually).
- Required payments shall be made in one lump-sum payment prior to subsequent retirement in order to be eligible for a recalculation as provided.
- Upon repayment of the required amount, the member shall have restored all service credit earned and shall be subject to the provisions of law that would have otherwise been applicable had he not previously retired.
- Act 271 of 2008 does not affect the provisions of R.S. 11:2175(6) applicable to members eligible to retire or reemployed on or before September 9, 1988. (See below)

Eligible to Retire or Reemployed Before September 9, 1988 *[R.S. 11:2175E(6)]*

Retirees **reemployed** prior to September 9, 1988, who actively contributed to the Pension Fund for at least three years after reemployment began are eligible, upon subsequent retirement from the Pension Fund, to have their original benefit recomputed using the accrual rate in effect at the time of subsequent retirement for all years of creditable service and the final average compensation for the highest 36 successive months' earnings.

Additionally, reemployed retirees who were **eligible** to retire before September 9, 1988, but did not retire until a later date and then became reemployed in a sheriff's office and contributed to the Pension Fund for at least three years, are eligible to have their original benefit recomputed using the accrual rate in effect at the time of subsequent retirement for all years of creditable service and the final average compensation for the highest 36 successive months' earnings.

In both above instances, the option plan and beneficiary remain the same as selected for the original retirement.

Any retiree who was/is reemployed after September 8, 1988, and who was not eligible to retire before September 9, 1988, is not eligible for the re-computation of his original benefit. Any such retiree, reemployed on a full-time basis, is subject to the provisions of full-time reemployment as explained previously.

Disability Retirement

Eligibility *[R.S. 11:207]*

A member is eligible for disability benefits, regardless of length of service, if the disability claimed is solely the result of injuries sustained in the performance of his official duties.

Disability benefits for any other cause (illness or non-job-related injury) may be claimed after a member has acquired at least 10 years of creditable service. **Members in limited membership status do not begin to vest for disability benefits until the date on which the enrollment process has been completed.** It is possible for a member in limited membership status to have over 10 years of service and not be vested for a non-job-related disability benefit due to his failure to timely complete the enrollment process.

In both instances, the member must have been in active service at the time the disability was incurred. However, if the application is not filed while the member is in active service, it will be presumed that the disability was not incurred while the member was an active contributing member. Such presumption may be overcome only by clear, competent, and convincing evidence that the disability was incurred while the member was an active contributing member. Disability claims will not be honored in the case of preexisting conditions. *[R.S. 11:216]*

Exception to requirement that member must be in active service at time disability is/was incurred: a member who has 20 years or more of creditable service and who has terminated active membership in the Pension Fund prior to the attainment of the age of 55 for those whose first employment making them eligible for membership in the system began prior to January 1, 2012 or age 60 for those whose first employment making them eligible for membership in the system began on or after January 1, 2012, and who has not withdrawn his contributions from the Fund, is eligible to apply for disability benefits in the event of total and permanent disability incurred after leaving covered employment, provided he has not yet attained the age of regular retirement or retired under early retirement. If approved, the benefit will be the lesser of all non-service related disability benefits or the normal vested retirement benefit. Upon attaining regular retirement age, the disability benefit will cease and the member will begin to receive his vested regular retirement benefit (less any cost-of-living adjustments that may have been awarded since being placed on disability retirement). *[R.S. 11:217]*

Application Process *[R.S. 11:218]*

The disabled member must make application on the proper forms through his sheriff's office. In addition to the application form, the following documents must be furnished:

- report from the applicant's supervisor or sheriff that includes a job description of the duties required of the applicant, a brief history of the member's claim for disability, and the supervisor's opinion as to the applicant's present ability to perform the normal duties required of him, and
- medical records from the member's personal physician(s) supporting his claim for disability.

Upon receipt of all required forms and documents, the Pension Fund may schedule an appointment for the applicant to be examined by a licensed physician approved by the Board of Trustees to perform such examinations. The direct costs of the examination will be paid by the Pension Fund. Such examining physician must submit to the Pension Fund an in-depth, written report outlining his findings, conclusions and recommendations relative to the applicant's claim for disability. **Note:** A medical examination by the Board-approved physician may be waived if obvious and overwhelming medical evidence of disability exists to his satisfaction.

A member's application for disability retirement must be approved by both the appointed physician and the Board of Trustees in order to become effective. In cases where the application is not approved by physician or the Board of Trustees, certain appeal procedures are available. Those procedures may be obtained from the office of the Pension Fund. An appeal must be filed with the Pension Fund in writing within 30 days of notification of denial of the claim.

The processing of an application for disability retirement generally requires approximately six to eight weeks, but must be completed in no more than 120 days (approximately 17 calendar weeks) from the date the application for disability retirement, including all supporting medical records and documents, was filed with the Pension Fund.

Disability Benefit Computation *[R.S. 11:2178B]*

The disability benefit for **total** disability from gainful employment will be the **lesser of** (1) or (2) as follows:

(1) a sum equal to the greater of 45% of the member's final average compensation or the member's accrued retirement benefit at the time of termination of employment due to disability, or

(2) the retirement benefit that would be payable assuming current accrued creditable service, plus additional creditable service as if the member continued to be employed to the earliest date that normal retirement eligibility would have been attained had he not become disabled, based on the final average compensation at the time of termination of employment due to disability.

Upon being approved for disability retirement, the member may receive a Maximum benefit equal to the aforementioned formula, without reduction for age. The member may select an optional plan as provided for regular retirement. The ages used to determine the amount of the benefit for the options are the ages the member and spouse would be had the member continued employment until attainment of regular retirement. The member's spouse/beneficiary is the person to whom he is married and living with at the time of retirement for disability.

Disability benefits become effective on the first day of the month in which the application for disability retirement, complete with all supporting documents, is received in the office of the Pension Fund, or the date following the exhaustion of all sick leave or vacation leave claimed by the applicant, or the day after the date of termination from employment, whichever is later.

A member who is classified as totally disabled for any employment is entitled to earn up to 25% of his disability benefit in a calendar year before being reclassified as partially disabled. *[R.S. 11:2178B(1)(b)]*

Partial Disability Classification and Benefit

A member who is unable to perform the duties of sheriff, deputy, or other member, but is certified as able to engage in other gainful employment, will be classified as **partially disabled** and will receive partial disability benefits while so classified. If a member approved for total disability retirement becomes employed earning more than 25% of his disability benefit in a calendar year, such member will be reclassified as partially disabled and will receive partial disability benefits while so employed. An employed disability retiree is subject to additional earnings restrictions as set forth in "Authority of Board of Trustees to Modify Benefits" following.

The benefit for partial disability is equal to **75%** of the amount that the member would have received for total disability. *[R.S. 11:2178B(4)]*

Authority of Board of Trustees to Modify Benefits *[R.S. 11:221]*

Should the Pension Fund determine that a disability retiree is engaged in gainful employment paying more than the difference between his disability retirement benefit and his final average compensation, the amount of his benefit will be reduced to an amount, which, when added to his allowable earnings, does not exceed his final average compensation. The earning capacity of all disability retirees is evaluated annually and benefit modifications, if any, are adjusted accordingly.

For purposes of determining the amount of other income allowable, there will be an annual cost-of-living adjustment to the final average compensation figure used in the modification computation. This cost-of-living adjustment is based upon and directly reflects the annual percentage increase or decrease in the Consumer Price Index (CPI) for the preceding calendar year.

Every disability retiree is required to submit by May 1 of each year a notarized annual earnings statement detailing his **earned** income from employment in the previous tax year. Failure to comply with certification requirements may result in suspension or discontinuation of disability benefits.

If a disability retiree receives any other financial award(s) that is payable solely as a result of his disability, either as a monthly payment or a lump-sum settlement, his disability benefit must be modified when the total amount of the other financial award(s) plus his disability benefit exceeds his final aver-age compensation. For purposes of determining the effect of a lump-sum financial award on a monthly basis, such award is converted to the monthly equivalent of a whole life annuity. Financial awards that may be cause for modification of benefits include, but are not limited to, any award that results from a claim by the disability retiree against his employer and/or insurer of the public entity or entities alleged to be at fault for the disability, and/or worker's compensation benefits.

Individual, private insurance settlements and separate private retirement accounts and/or other similar non-system, non-local/state government resources, including disability benefits from the Social Security Administration and the Veterans Administration, other than worker's compensation, are specifically exempt from consideration in the modification computations. Additionally, income from investments and/or rental property is not included in the modification computations.

A member, whose first employment making them eligible for membership in the system began prior to January 1, 2012, who retires while in service on a disability retirement and who had at least 12 years of creditable service, may request a change to regular retirement upon attaining age 55.   A member, whose first employment making them eligible for membership in the system began on or after January 1, 2012, who retires while in service on a disability retirement and who had at least 12 years of creditable service, may request a change to regular retirement upon attaining age 62. The benefit would be recomputed using the ages of the member and his spouse at the time of change to regular retirement and the provisions in effect at that time. The previously selected option and beneficiary would remain in effect.

Any previously awarded cost-of-living adjustments or increases **will not be carried over to the recomputed benefit for regular retirement.** The conversion to regular retirement is optional for the disability retiree. The change from disability retirement to regular retirement relieves the retiree of the earnings restrictions and certification of continuing eligibility requirements applicable to disability retirees.

Certification of Continuing Eligibility

Once each year during the first five years following retirement of a member on a disability allowance, and once in every three-year period thereafter, the Pension Fund may require any disability retiree who has not yet attained the equivalent age of regular retirement to undergo a medical examination, at the disability retiree's expense, by a physician on the State Medical Disability Board or other Board- designated specialist.

Refusal by a disability retiree to submit to at least one medical examination in any year will be cause for the discontinuation of his disability allowance, and should his refusal continue for one year, all rights in and to his disability benefit will be revoked.

The examining physician will submit a report to the Pension Fund recommending either the continuation or cessation of the retiree's disability status. Should the examining physician declare a disability retiree's disability to have ceased, the retiree's disability benefit will cease. A contested decision may be appealed under the procedures described in *R.S. 11:218*.

Restoration to Active Service *[R.S. 11:224]*

If any disability retiree who is under the age of 60 is restored to active employment in a sheriff's office, his retirement benefit will cease and he will again become a member of the Pension Fund and contribute thereafter at the rate in effect at the time of re-employment and all previous service credits will be restored to full force and effect. If he contributes for at least three years after restoration to active employment, the period of time while on disability retirement will be counted as accredited service, but **solely for the purpose of establishing regular retirement eligibility and not for the computation of benefits**.

Income Tax Liability

A member whose disability was due to **job-related injury and who had less than 10 years of creditable service** is not subject to federal income tax on his disability retirement benefit. A member who retired on or after July 1, 2012, due to a disability which was caused by a job-related injury, is not subject to federal income tax on that portion of their disability retirement benefit equal to forty-five percent of final average compensation. Tax Form 1099R, issued annually by the Pension Fund, will list the gross amount of benefits paid and, in a separate box, the *taxable* amount of the benefits. The disability retiree should seek the assistance of a tax professional if he has any questions. Disability benefits, as well as other benefits issued by the Sheriffs' Pension Fund, are exempt from Louisiana state and municipal income tax as provided by R.S. 11:2182. Such exemption must be claimed on Schedule E when filing Louisiana Income Tax Form IT-540.

SURVIVOR BENEFIT PROVISIONS

General Information and Benefit Computation

The following death benefits are applicable to those survivors of members whose deaths occurred on or subsequent to September 10, 1982, and survivors of retirees drawing disability benefits that became effective prior to September 9, 1988.

Benefit Elections by a Surviving Spouse

In the event of the death of a member from any cause, the surviving spouse shall have the option of electing any payment formula, including Back-DROP, if the member was otherwise eligible to make such an election on the day preceding the member's death.

Should the surviving spouse, or in the absence of a surviving spouse, a child or children entitled to receive benefits under the following provisions, elect to receive a refund of the member's contributions in lieu of monthly benefits, such choice must be specified in writing, properly notarized, and in the case of a minor, with the appropriate court authorization, to be filed with the Pension Fund. *[R.S. 11:2178J(3)]*

Survivor benefits become effective the day after the date of the member's death.

Benefit to Surviving Spouse or Parent(s) of Member for Duty-Related Death *[R.S. 11:2178D(III)(1)(a) and (d)]*

- If any member is killed in the discharge of his duties, or dies from immediate effects of any injury received as the result of an act of violence occurring while engaged in the discharge of his duties or while drawing disability benefits that began prior to September 9, 1988, his surviving spouse is entitled to receive the greater of 50% of the member's final average compensation or, if the member had 12 years or more of creditable service, the benefit payable under Option 2. The benefit to the surviving spouse of a disability retiree can be no greater than the disability benefit previously paid to the retiree. Benefit is payable for the life of the surviving spouse, regardless of remarriage.
- If there is no surviving spouse or surviving minor child eligible to receive benefits, a parent or parents who is/are dependent upon the deceased member for support, will be entitled to a sum equal to 50% of the deceased member's monthly compensation at the time of death, such amount not to exceed $100 per month, per dependent parent. Benefit is payable for the life of the parents or surviving parent.

Benefit to Surviving Spouse for Non-Duty-Related Death *[R.S. 11:2178J(1)]*

Any member who, at the time of death, is eligible for retirement based on length of service (12 years) without regard to age, including any member who began drawing disability benefits prior to September 9, 1988, and who leaves a surviving spouse, will be deemed to have exercised the Option 2 benefit as if he had retired on the date of death. Benefit is payable for the life of the surviving spouse, regardless of remarriage.

Benefit to Surviving Minor Child or Children, Non-Duty/Duty Related Death *[R.S. 11:2178D(III)(b)(i)-(iii) and (c); and R.S. 11:2178J(2)]*

- Each eligible minor child is entitled to receive 15% of the member's final average compensation at the time of death. In the event the member leaves a surviving spouse, the total combined benefits cannot exceed 100% of the member's final average compensation. If there is no surviving spouse, each eligible surviving minor child is entitled to receive 15% of the member's final average compensation, limited to a maximum of 60% of the final average compensation.

- In the event the combined surviving spouse benefit and surviving minor children benefit is greater than 100% of the member's final average salary, the difference between the surviving spouse's benefit and the final average compensation will be evenly divided among the surviving minor children. As each child becomes no longer eligible for the survivor benefit, the difference in the surviving spouse's benefit and the final average compensation will be evenly divided among the remaining minor children; provided that no one eligible minor child receives a benefit greater than 15% of the member's final average compensation.
- In the event there are five or more eligible surviving minor children, with no surviving spouse, the 60% of average compensation survivor benefit will be divided evenly among the eligible minor children. As each child becomes no longer eligible for the survivor benefit, the 60% will be divided evenly among the remaining minor children; provided that no one eligible minor child receives a benefit greater than 15% of the member's final average compensation.

Benefit to Surviving Spouse/Minor Child or Children, Duty Related Death as a Result of an Intentional Violent Act *[R.S. 11:2178D(4)*

The following death benefits are applicable to those survivors of members whose deaths occurred on or after June 30, 2016:

- Surviving spouse is entitled to receive the greater of 50% of the member's final average compensation or, if the member had 12 or more years of creditable service, the benefit payable under Option 2.
- If there is both a surviving spouse and minor children, an additional benefit will be paid to the minor children equaling the difference between the total benefit to the surviving spouse and 100% of the member's final average compensation. This additional benefit will be equally divided and paid to the surviving child or children.
- The total benefits paid to survivors will not exceed 100% of the member's final average compensation.
- If the surviving spouse dies while benefits are still being paid to a surviving minor child or children, the surviving spouse's benefit will be divided equally and paid to the remaining eligible surviving minor child or children.
- If there is no surviving spouse at the time of member's in-line-of-duty death as the result of an intentional violent act, 100% of member's final average compensation will be divided equally among the surviving minor children and paid in the form of a monthly benefit.
- The benefits payable to surviving minor children where there is no surviving spouse, will be payable to a trust satisfactory to the Fund and established by law until such time as the minor child reaches the age of majority.

Definitions of Eligible Survivors of Deceased Members *[R.S. 11:2178E]*

"Surviving spouse" — means a widow or widower who was married to and living with the deceased member at the time of the member's death.

" Surviving minor child" — means a child who is the offspring of the member, or the legally adopted child of the member, who is under the age of 18, or regardless of age if physically or mentally incapacitated and dependent upon the member at the time of the member's death.

- Additionally, "minor child" includes a child, between the ages of 18 and 23, who is enrolled at a board-approved or accredited school, college, or university, in a sufficient number of courses and classes to be classified as a full-time student in good standing, under the criteria used by the institution in which the student is enrolled, and who is dependent upon the deceased member at the time of death.
- Benefits to a surviving minor child terminate upon the attainment of age 18, or at age 23 provided the child is enrolled as a full-time student as described above. Benefits to a physically or mentally incapacitated child continue for life or until the child is no longer considered incapacitated.

"Surviving Parent or Parents" — means a mother or father, or both, dependent upon the deceased member at the time of the member's death.

Death of Retiree Receiving Benefits

When Retiree Began Receiving Benefits prior to September 9, 1988:

- Survivor receives benefits as provided in the law in effect on the date of retirement or disability retirement. *[R.S. 11:2178D(I) and D(II)]*

When Retiree Began Receiving Benefits on or after September 9, 1988:

- Survivor receives benefits in accordance with the option selected by the retiree.

Continuation of Benefits Upon Remarriage of Surviving Spouse

When Death Occurred prior to September 10, 1982:

- A surviving spouse receiving benefits due to a non-vested member's death from injuries received in performance of duty or while receiving disability benefits, when death occurred prior to September 10, 1982, will not lose their benefits upon remarriage, provided such remarriage occurs after the attainment of age 55. *[R.S.11:2178D(II), R.S. 112178L, and R.S. 11:234]*

When Death Occurred or Disability Benefits Began on or after September 10, 1982:

- If the member's death occurred or disability benefits began on or after September 10, 1982, the surviving spouse will continue receiving benefits in case of remarriage, regardless of age at time of remarriage. *[R.S.11:2178D(III)]*

OTHER INFORMATION AND SPECIAL PROVISIONS

Forfeiture of Benefits

- This legislation is **prospective only**, affecting the following members:
  - Individuals whose membership began on or after January 1, 2013
  - Individuals who have membership service prior to January 1, 2013, but who terminated service prior to that date and return to service on or after January 1, 2013
- Applies to "Public Corruption Crimes", which is a state or federal felony committed on or after January 1, 2013, in which the sentencing judge finds the public servant acted willfully and in the course and scope of his official capacity and the evidence establishes either of the following:
  - The public servant realized or attempted to realize a financial profit or a financial gain for himself or for a third party
  - The public servant committed any criminal sexual act with or upon the person of a minor, and there was a direct association between the public servant and the minor related to the public servant's employment
- The sentencing court will determine if the conviction warrants forfeiture or garnishment based on the following factors:
  - The nature of the offense
  - The prior service of the public servant and the appropriateness of any mitigating factors
- No provision of this law will impinge on any judicially recognized community property interest of a current or former spouse.

Exemption from Seizure

Any annuity, retirement allowance or benefit, or refund of contributions, or any optional benefit or any other benefit paid to any person under the provisions of the Sheriffs' Pension and Relief Fund is exempt from any state or municipal tax and is exempt from levy and sale, garnishment, attachment or any other process whatsoever, except as provided in R.S. 11:292, seizure for child support, and is unassignable. *[R.S. 11:2182]*

The provision protecting a member's account from seizure refers only to state law. Since federal law preempts state law, federal agencies such as the Internal Revenue Service (IRS), may attach or place a levy on Pension Fund benefits.

Overpayment of Benefits; Corrections; Recovery of Funds *[R.S. 11:192]*

Should any change or error in a member's or retiree's records result in any member or beneficiary receiving from the Pension Fund more or less than he would have been entitled to receive had the records been correct, the Board of Trustees will correct the amount payable to the correct amount, and is authorized to recover any overpayment by reducing the corrected benefit such that the amount of overpayment will be repaid within a reasonable number of months.

Special Scholarships By the State of Louisiana

Any child of a commissioned, full-time sheriff/deputy sheriff who was or is killed or permanently disabled after January 1, 1973, in the course and scope of the performance of his duties as such, which child is otherwise eligible and meets all the entrance requirements of a college or university, shall be admitted to such college or university without the payment of any fees or other charges for tuition, books, reference manuals, and other aids to instruction required in any undertaken course, and room and board as long as such child meets the academic standards and complies with the rules and regulations of such college of university required for attendance therein as a full-time student. Such exemption shall exist for such child for the number of semesters required of a full-time student to obtain one bachelor's degree offered by such college or university. In no event shall such scholarship exceed eight semesters for any one child. *[R.S. 17:1681.1]*

"Sheriff or Deputy Sheriff" — means only those persons employed or engaged as commissioned law enforcement officers on a full-time basis by a parish of the State of Louisiana.

"Child" — means the offspring of a sheriff/deputy sheriff or his spouse living in the same household with and dependent upon the sheriff/deputy sheriff for support and the offspring of a sheriff/deputy sheriff dependent upon him for support, whether or not living in the same household. *[R.S. 17:1681]* (See referenced statute for additional definitions).

For further information and application procedures regarding special scholarships, please contact the Admissions, Registrar's Office, or Financial Aid Office of the state-supported college or university at which your child seeks admission. **These scholarships *are not* funded or provided by the Sheriffs' Pension Fund.**

Payment to Surviving Spouse and Children By the State of Louisiana *[R.S. 40:1665.2 and R.S. 39:1533]*

R.S. 33:2201 provides some financial security for surviving spouses and dependent children of law enforcement officers when such officers suffer death as a result of any injury arising out of and in the course of the performance of the officer's official duties, or arising out of any activity, while on or off duty, in his capacity as a law enforcement officer, in the protection of life or property.

- In any case in which a law enforcement officer suffers death described above, and in accordance with referenced statutes, the sum of $250,000 is payable to the surviving spouse or, if not survived by a spouse, the sum of $250,000 is payable to the surviving child or children or, if not survived by a spouse nor a child or children, then the sum of $250,000 is payable to the named beneficiary listed on the officer's beneficiary designation form or, if there is no designation form at the time of death, then the sum of $250,000 is payable to the officer's estate. Each officer shall complete a beneficiary designation form. Such form should be available and completed through the officer's employing sheriff's office.
- In addition, if the officer is survived by a dependent child or children, the sum of $25,000 shall be paid for each of the dependent children, such sums to be paid to the duly appointed and qualified tutor or the legal representative of the child or children.
- Application for the above payments is made to the Louisiana Department of Justice, Office of the Attorney General. Payment is issued by the state risk manager and is funded by the Self-Insurance Fund created in the Louisiana Department of the Treasury as provided by **R.S. 39:1533(A)**.

The above information is provided for your convenience only. Please refer to the specific statutes for complete details regarding definitions of qualifying individuals and the application process. These payments are not processed or paid by the Sheriffs' Pension Fund.

Payment to Survivors by the United States Department of Justice

The "Public Safety Officers Benefits Program" (PSOB) provides death benefits in the form of a one-time financial payment to the eligible survivors of public safety officers whose deaths are the direct and proximate result of a traumatic injury sustained in-the-line-of-duty. For eligible deaths occurring on or after October 1, 2019, the benefit amount is $365,670. Since October 14, 1988, the benefit has been adjusted each year on October 1st to reflect the percentage of change in the Consumer Price Index. For each death and disability claim, the award amount is solely determined by the actual date of the officer's death or disability.

The PSOB Program provides disability benefits for public safety officers who have been permanently and totally disabled by a catastrophic personal injury sustained in-the-line-of-duty if that injury permanently prevents the officer from performing **any** substantial and gainful work. Medical retirement for a line-of-duty disability does not, in and of itself, establish eligibility for PSOB benefits.

There are very specific rules for qualification for PSOB benefits and eligible survivors and disability candidates are specifically defined. Contact the following for further information:

Managing Organization:

The U.S. Department of Justice — **www.usdoj.gov**

Program Contact Information & Web Resources:

Bureau of Justice Assistance Payments and Benefits Division
810 Seventh Street NW
Public Safety Officers' Benefits Program
Washington, DC 20531

http://www.ojp.usdoj.gov/BJA/grant/psob/psob_main.html
Telephone Numbers: 1-888-744-6513 or 1-202-307-0635
Facsimile: 1-202-616-0314 Email: askPSOB@usdoj.gov

Keeping Records Current

The Pension Fund strongly recommends that all members keep their retirement records current as to marital status (marriage, divorce, remarriage, name change, etc.). Additionally, it is imperative that all active/inactive/deferred members and benefit recipients (retirees, survivors, beneficiaries, refunded members) notify the Pension Fund directly, in writing, anytime their mailing address changes. For your convenience, a change of address request form may be found on our website at **www.lsprf.com.**

From time-to-time the Pension Fund mails newsletters, notices, tax forms, statements of contribution account, direct deposit statements, etc. If the member/retiree has moved and failed to notify the Pension Fund of the change in their mailing address, such notices will not be delivered and the member will not receive needed information. This especially applies to retirees and survivors who receive benefits via electronic deposit to a financial institution. In the event of a change in mailing address, but not necessarily the direct deposit address, it is imperative for the benefit recipient to notify the Pension Fund of the change in mailing address.

Notification of address changes for pension and benefit recipients must be submitted, in writing, directly to the Pension Fund. It is recommended that the benefit recipient submit separate notification of mailing address changes directly to his former sheriff's office.

EFFECT OF PUBLIC PENSION ON SOCIAL SECURITY BENEFITS

Social Security benefits may be another source of retirement income to members of public retirement and pension plans. If a retiree of the Sheriffs' Pension Fund is also eligible for Social Security benefits, the Social Security benefit may be reduced according to federal regulations. However, your benefit from the Pension Fund will not be reduced because you receive Social Security benefits.

The type of Social Security benefit you are eligible to receive determines the formula used to calculate the reduction to your Social Security benefit. The Government Pension Offset (GPO) is used for a spouse's benefit, and the Windfall Elimination Provision (WEP) is used for a benefit the member earned. An estimate of the member's Social Security benefit most likely will not reflect the reduced benefit. The individual should specifically ask Social Security to calculate the reduction for them.

Government Pension Offset: Reduction for Spouse's or Widow(er)'s Benefit

The Government Pension Offset (GPO) is a reduction of the Social Security spouse's or widow(er)'s pension if you receive a benefit from the Louisiana Sheriffs' Pension and Relief Fund (LSPRF). Normally, when your spouse retires on Social Security, you are eligible for 51% of your spouse's Social Security benefit if you are at least age 62 and did not work enough time under Social Security to have earned your own benefit, or your earned benefit is less than the pensioner's benefit. However, since you are eligible for a benefit from LSPRF, you may be subject to the GPO.

You will not have a reduction in your benefit from Social Security if you meet one of the following conditions:

- You were eligible to retire from LSPRF before December 1982, and you meet all the requirements for Social Security spouse's benefits in effect in January 1977. (A divorced woman's marriage must have lasted at least 20 years, and a husband or widower must have received one-half of his support from his wife); or
- You were eligible to retire before July 1, 1983, and were receiving one-half of your support from your spouse; or

Note: If you take a refund of your LSPRF contributions instead of receiving a pension to which you are eligible, Social Security will calculate the reduction as if you had elected to get monthly benefit payments.

If you do not meet one of the exceptions listed above, the GPO formula will reduce your Social Security spouse's or widow(er)'s benefit by two-thirds of your LSPRF benefit. In some cases, this offset could entirely eliminate your Social Security benefit.

Example: Member retired on July 1, 2007, with a benefit from LSPRF of $800 per month. Member's spouse has already retired and receives a Social Security benefit of $850 per month.

Member would be eligible for 51% of spouse's Social Security benefit of $850, which is $433.50 per month. The GPO is calculated by multiplying $800 (the amount of member's LSPRF benefit) by two- thirds, which equals $533.

Member's Social Security benefit is $433.50. Two-thirds of member's LSPRF benefit is $533.

Member's offset of $533 is more than his Social Security benefit of $433.50; therefore, the member would not receive a spousal benefit from Social Security.

Windfall Elimination Provision: Reduction for Earned Benefit

An "earned benefit" is paid to individuals who worked at other employment where they paid Social Security taxes long enough to earn a benefit. A modified benefit formula, known as the Windfall Elimination Provision (WEP), is usually used to reduce your own Social Security earned benefit if you receive a benefit from LSPRF.

The WEP was gradually implemented beginning in 1986 and is now in full effect when you reach age 62 or become disabled. The WEP does not apply in the following situations:

- You were age 62 or disabled before 1986; or
- You had earned, on September 1, 1985, sufficient service credit in LSPRF to qualify for normal retirement, including a reduced benefit. You may contact LSPRF to request a letter verifying your earliest eligible retirement date; or
- You have at least 30 years of "substantial" earnings from employment where you paid Social Security taxes. If you have 21 to 29 years of "substantial" Social Security covered earnings, you will not be subject to the full reduction. The reduction could be as much as 55% or as little as 15% of the Social Security benefit you would otherwise be due, depending upon your number of years of "substantial" Social Security covered earnings.

The WEP formula is complex; therefore, LSPRF recommends that you contact the Social Security Administration for explanations of possible reductions.

The Social Security Administration (SSA) website is **www.socialsecurity.gov**. We recommend that you visit this website to obtain answers to your questions and estimate the impact of the GPO and/or WEP to your social security benefit due to your LSPRF pension. However, we strongly recommend that you visit your local social security office or call the SSA at 1-800-772-1213 to address your specific situation.

FREQUENTLY ASKED QUESTIONS

General Questions

How do I update my address/contact information?

a. Notify our office via mail, fax, or email with a signed confirmation or request for change. A Change of Address Form is available on our website for your convenience.

Can I borrow (make a hardship loan) from my account?

a. Because our system is a Defined Benefit Plan, contributions are not eligible for withdrawal for any reason unless a member is terminated from employment and applies for a refund of employee contributions or their monthly pension benefit.

Am I required to designate a beneficiary while I'm still working?

a. It is not a requirement; however, it is recommended that active members complete a Designation of Beneficiary form for their retirement account in the event of death prior to retirement. This form can be found on our website for your convenience.

Active Members – RE: Enrollment

Am I required to be enrolled? What if I only work part-time?

a. Membership in our system is mandatory, even for part-time employees, if the earned minimum monthly salary meets the requirements of enrollment.

What is limited status?

a. A member in "limited" status is vesting for Regular Retirement benefits only. Should the member ever wish to apply for Disability Retirement due to a non-job-related injury or illness, they would have to both:
   1. Prove the disability was not due to preexisting condition(s) (R.S. 11:2181A) and
   2. Prove their enrollment process *was* completed in a timely manner and have 10 years of creditable service in non-limited status.

I'm switching to another sheriff's office. Do I have to complete another physical?

a. If your time was not refunded and you have a less than 90-day break in contributable service, you are not required to complete a new physical for the enrollment process. ***Members who transfer employment from one sheriff's office to another are not eligible for a refund of contributions from the first sheriff's office***.

Refunds/Contributions

How do I apply for my refund of contributions?

a. By completing a Refund of Contributions packet with your previous sheriff's office. This packet can be found on our website for your convenience.

How long does it take to receive my refund of contributions/rollover?

a. Thirty (30) days must pass from the date of termination provided by the sheriff's office. Also, all required (completed) paperwork must be returned within those 30 days. If any paperwork is missing or incomplete, this will cause a delay in the issue of the refund.

Will I be receiving what the sheriff contributed (i.e. employer contributions)?

a. No, only employee contributions are refundable to the member.

Transfers

I just started at the sheriff's office but have time in another LA state or statewide retirement system. Can I transfer that time into the Pension Fund?

a. Yes, however, members must have twelve (12) months of current earnings in our system for a transfer to be priced.

I have creditable service in a Federal retirement system. Will that transfer?

a. No, transfers from a Federal retirement cannot be transferred into our system.

Planning Retirement

What is the retirement application process?

a. The retirement application is to be completed through the sheriff's office. It is recommended that the member communicate with the Pension Fund, in writing, at least 30 to 60 days prior to retirement to request an estimate of retirement benefits payable as of a certain date, and to inquire as to what documents will be required. Birth or baptismal certificates for the member and spouse, marriage certificate, petition for divorce, judgment of divorce and property settlement papers, and/or spouse's death certificate, if applicable, are among documents required.

Can I view an estimate of what I could receive online?

a. Yes, a login/password must be requested from our office by mail, fax, or email. An online request can be made through our website for your convenience.

Disability Retirement

What is total disability versus partial disability?

a. The benefit for partial disability is equal to **75%** of the amount that the member would have received for total disability. *[R.S. 11:2178B(4)] A member who is unable to perform the duties of sheriff, deputy, or other member, but is certified as able to engage in other gainful employment will be classified as partially disabled.*

Back-DROP

How much Back-DROP am I eligible for?

a. This depends on your date of hire, age, and length of service at your anticipated date of retirement. Contact our office, in writing, for an estimate of benefits or call and speak with a Benefits Analyst for details.

If I die while working "during my Back-DROP period", is my surviving spouse entitled to it now?

a. Yes, a surviving spouse whom you were married to and living with at the time of death is entitled to an automatic Option Two benefit and shall have the option of electing any payment formula, including Back DROP, you were eligible to make such an election on the day preceding death.

Retired Members

How can I receive a copy of a previous 1099R?

a. Notify our office via mail, fax, or email with a signed confirmation of your request. ***Please include a return address***.

I need to change my Federal tax withholding amount. What should I do?

a. Notify our office via mail, fax, or email with a signed confirmation of your request. ***Please include a return address***. An IRS Form W-4P is available on our website for your convenience.

I need to change my direct deposit to a different bank. What should I do?

a. Complete a new form titled "Authorization for Electronic Direct Deposit" and forward to our office with a bank representative's signature. This form is available on our website for your convenience.

We sincerely hope this booklet is of benefit to you in planning your career and retirement. We invite your comments and/ or recommendations for improvement.

Please feel free to make comments through our website at www.lsprf.com or call our office at 1-800-586-9049 or 1-225-219-0500 and ask to speak with a supervisor

Louisiana Sheriffs' Pension & Relief Fund

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