

# Membership Handbook



Louisiana State Employees' Retirement System  
as of January 2012

# Peace Officers

**Hired Prior to January 1, 2011** (La. R.S. 11:444(A)(2))

This chapter pertains to Peace Officers employed by the Department of Public Safety and Corrections, Office of State Police, other than state troopers, hired prior to January 1, 2011. As defined by R.S. 40:2402(3)(a), a “Peace Officer” is any full-time employee of the state whose permanent duties actually include the making of arrests, the performing of searches and seizures, or the execution of criminal warrants, and is responsible for the prevention or detection of crime or for the enforcement of the penal, traffic, or highway laws of this state, but not including any elected or appointed head of a law enforcement department.

Please refer to the chapters on Regular Members if a topic is not covered in this chapter.

## **Contribution Rate (La. R.S. 11:62(5)(b))**

Peace Officers pay a contribution rate of 9 percent.

## **Retirement Eligibility**

As a Peace Officer, you will become eligible for retirement upon reaching one of the following criteria:

- 10 years of service at age 60
- 25 years of service at age 55
- 30 years of service at any age
- 20 years of service at any age, with an actuarially reduced benefit (Deferred Retirement Option Plan [DROP] participation and retirement with an Initial Benefit Option [IBO] are not available to members who choose this option). The actuarial reduction is based on the number of months you are away from Regular retirement eligibility. This reduction can be affected depending on whether you are in state service or out of state service at the time of your retirement.

## **Benefit Accrual**

Your average compensation will be based on your highest successive 36 months of compensation. Your benefit accrual rate depends on your date of hire.

If you were hired as a Peace Officer *on or before June 30, 2006*, you will receive 3.33 percent of your average compensation per year, even for years not worked as a Peace Officer.

If you were hired as a Peace Officer *on or after July 1, 2006*, you will receive 3.33 percent of your average compensation per year for all years worked as a Peace Officer.

If you have service that was not accrued at 3.33 percent, your unused leave percentage will be pro-rated depending on the years of service.

Frank had prior employment but was not hired as a Peace Officer until October 1, 2006. He is retiring at age 51 with 30 years of service credit. He has an annual final average compensation of \$62,000.00, so his base retirement benefit would be calculated in the following manner:

$$\begin{array}{rcccccc} \$62,000.00 & \times & .025 & \times & 27.20 & = & \$42,160.00 \text{ per year} \\ \text{average} & & \text{accrual} & & \text{years of service as a} & & (\$3,513.33 \text{ per month}) \\ \text{compensation} & & \text{rate} & & \text{Regular Member} & & \end{array}$$

$$\begin{array}{rcccccc} \$62,000.00 & \times & .0333 & \times & 2.80 & = & \$5,780.88 \text{ per year} \\ \text{average} & & \text{accrual} & & \text{years of service as a} & & (\$481.74 \text{ per month}) \\ \text{compensation} & & \text{rate} & & \text{Peace Officer} & & \end{array}$$

**Total benefit = \$47,940.88 per year (\$3,995.07 per month)**

He has decided to convert 1.8 years of unused accumulated leave so his leave benefit would be calculated in the following manner:

$$\begin{array}{rcccl} 27.20 & / & 30.0 & = & .906 \text{ (rounded to 91\%)} \\ \text{years of service as a} & & \text{total years} & & \\ \text{Regular Member} & & \text{of service} & & \end{array}$$

$$\begin{array}{rcccl} 2.80 & / & 30.0 & = & .093 \text{ (rounded to 9\%)} \\ \text{years of service as a} & & \text{total years} & & \\ \text{Peace Officer} & & \text{of service} & & \end{array}$$

91% of his total leave credit of 1.8 years = 1.638 (rounded to 1.60)

9% of his total leave credit of 1.8 years = .162 (rounded to .20)

He will receive an accrual rate of 2.5% for 1.60 years and 3.33% for .20 years.

$$\begin{array}{rcccccc} \$62,000.00 & \times & .025 & \times & 1.60 & = & \$2,480.00 \text{ per year} \\ \text{average} & & \text{accrual} & & \text{years of} & & (\$206.66 \text{ per month}) \\ \text{compensation} & & \text{rate} & & \text{unused leave} & & \end{array}$$

$$\begin{array}{rcccccc} \$62,000.00 & \times & .0333 & \times & .20 & = & \$412.92 \text{ per year} \\ \text{average} & & \text{accrual} & & \text{years of} & & (\$34.41 \text{ per month}) \\ \text{compensation} & & \text{rate} & & \text{unused leave} & & \end{array}$$

**Total benefit for unused leave = \$2,892.92 per year (\$241.07 per month)**

<b>Total retirement benefit = \$3,995.07 + \$241.07 = \$4,236.14 per month</b> <div style="text-align: center; margin-top: 5px;"> <i>retirement benefit</i>      +      <i>converted leave benefit</i> </div>
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Jonathan was hired as a Peace Officer prior to July 1, 2006, and accrues benefits at 3.33 percent per year. He is retiring at age 55 with 27.20 years of service credit. He has an annual final average compensation of \$62,000.00, so his base retirement benefit would be calculated in the following manner:

$$\begin{array}{rcccccc}
 \$62,000.00 & \times & .0333 & \times & 27.20 & = & \$56,157.12 \text{ per year} \\
 \textit{average} & & \textit{accrual} & & \textit{years of} & & (\$4,679.76 \text{ per month}) \\
 \textit{compensation} & & \textit{rate} & & \textit{service as a} & & \\
 & & & & \textit{Peace Officer} & & 
 \end{array}$$

$$\begin{array}{rcccccc}
 \$62,000.00 & \times & .0333 & \times & 1.80 & = & \$3,716.28 \text{ per year} \\
 \textit{average} & & \textit{accrual} & & \textit{years of} & & (\$309.69 \text{ per month}) \\
 \textit{compensation} & & \textit{rate} & & \textit{unused leave} & & 
 \end{array}$$

$$\begin{array}{rcccccc}
 \textbf{Total retirement benefit} & = & \textbf{\$4,679.76} & + & \textbf{\$309.69} & = & \textbf{\$4,989.45 per month} \\
 & & \textit{retirement} & & \textit{converted} & & \\
 & & \textit{benefit} & & \textit{leave} & & \\
 & & & & \textit{benefit} & & 
 \end{array}$$

### Limits on Final Average Compensation (La. R.S. 11:403(5))

When calculating your retirement benefit, the earnings used for your average compensation may be capped in order to avoid excessive spikes in compensation.

The earnings to be considered for the 13th through the 24th month shall not exceed 125 percent of the earnings of the 1st through the 12th month. The earnings to be considered for the final 12 months shall not exceed 125 percent of the earnings of the 13th through the 24th month.

### Hazardous Duty Services Plan

Peace Officers hired prior to January 1, 2011, are eligible to join the Hazardous Duty Services Plan. Please refer to the chapter describing that plan's benefits and the options available for past service.

# LASERS

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