

# CORRECTIONS RETIREMENT

## Eligibility at a glance



### PRIMARY COMPONENT

*Includes: Correctional Officers, Probation and Parole Officers, Wardens, and Prison Enterprise job titles.*

**Eligibility:**

**Hired prior to 08/15/1986:**

20 years at any age *or* 10 years at age 60

**Hired from 08/16/1986 to 06/30/1999**

20 years at age 50 *or*

25 years of service *or*

10 years at age 60

**Hired from 07/01/1999 to 12/31/2001**

25 years at any age *or*

10 years at age 60

**Employee Contribution Rate:**

9.0% of earned compensation

**Retirement Calculation:**

2 1/2% x years of service x final average compensation (FAC)

FAC = average of highest 36 months of successive employment.

**Primary Component Notes:**

1. *Must have at least 10 years of correctional time in a security capacity immediately prior to application for retirement.*
2. *Eligible for Early Retirement of 20 years of service at a reduced rate.*
3. *Non Security service years count towards eligibility as 2/3.*
4. *Members of the Primary Component can make an irrevocable decision to change from the Primary to the Secondary Component.*

### SECONDARY COMPONENT

*Includes: Correctional Officers, Probation and Parole Officers, Wardens, Prison Enterprise job titles and Maintenance jobs.*

**Eligibility:**

**Hired after 01/01/2002:**

25 years at any age *or*

10 years at age 60

**Employee Contribution Rate:**

9.0% of earned compensation

**Retirement Calculation:**

3 1/3% x years of service x final average compensation (FAC)

FAC=average of highest 36 months of successive employment.

### REGULAR RETIREMENT (Hired before 07/01/2006)

*Includes: all non security job titles*

**Eligibility:**

30 years at any age *or*

25 years at age 55

10 years at age 60

**Early Retirement Option:**

20 years of service (actuarially reduced benefit)

**Employee Contribution Rate:**

7.5% of earned compensation

**Retirement Calculation:**

2 1/2% x years of service x final average compensation (FAC)

FAC= average of highest 36 months of successive employment.

### REGULAR RETIREMENT (Hired after 07/01/2006)

*Includes: all non security job titles*

**Eligibility:**

10 years at age 60; 20 years at any age (actuarially reduced benefit).

**Employee Contribution Rate:**

8.0% of earned compensation

**Retirement Calculation:**

2 1/2% x years of service x final average compensation (FAC)

FAC=average of highest 60 months of successive employment.

The Louisiana Legislature periodically enacts early retirement provisions which are often offered for a specific period of time. To find out if your retirement plan has any current early retirement incentives, contact your unit's Human Resources Office or visit [www.lasersonline.org](http://www.lasersonline.org) and see "Early Retirement Fact Sheet" listed under "Publications and Reports"

## Refund of Contributions

A member may apply for a refund of employee contributions (without interest or investment earnings) when leaving state service, even if eligible to retire. Transfers from one state agency to another do not qualify for refunds. LASERS processes refunds only after all contributions have been reported by the agency. All refunds will be issued in accordance with La. R.S.11:537 (A)(B)(C)

**ACCEPTANCE OF A REFUND of accumulated contributions automatically cancels all rights in LASERS. In addition, a member forfeits all prior service and military service as well as membership service credit for the period refunded.**

## QUESTIONS?

Contact your Unit Human Resources Office

Contact DOC HDQ-Human Resources Office (225) 342-6620

Contact LASERS (800) 256-3000 or [www.lasersonline.org](http://www.lasersonline.org)

# CORRECTIONS RETIREMENT

## *Deferred Retirement Option Plan*



### Do you know about DROP? Are you ready to DROP?

As a member of the Louisiana State Employees Retirement System (LASERS) you may elect to participate in an optional method of retiring known as DROP (**Deferred Retirement Option Plan**). When an employee enters DROP, he is known as a DROP participant (ACT 308, 2001 Louisiana Legislative Session, LSA R.S. 11:447-451).

#### What is DROP all about?

This optional method of retiring allows you to continue employment, and while working earning your regular salary, accumulate money in an individual account based on the option amount you would have received as a monthly benefit. You elect to participate in DROP prior to retirement and can participate for a maximum of 36 months. At the end of DROP participation you may elect to retire or continue employment.

#### Window of time?

Members must enter and participate within a “window of time” If a member doesn't enter DROP within the window, they will lose the rights to participate in DROP for the full 36 months. If a member waits to enter drop after first eligibility begins, the length of time he can participate in DROP is reduced.

#### DROP not for you?

Members who have not participated in DROP and would like to receive a lump sum payment upon retirement may consider the **Initial Benefit Option (IBO)**. The retiree elects to receive part of his future benefits in an initial lump sum payment. The lump sum cannot exceed an amount equal to 36 months of the maximum monthly retirement benefit. Participation in the IBO reduces the monthly benefit on an actuarial basis. Reduction depends on age at the time of retirement.

#### DROP FACTS

- Prior to DROP participation, retirement contributions are “tax sheltered.” Contributions to LASERS stop during the participation period in DROP. Since these funds are no longer sheltered the member can choose to invest them in another tax-sheltered vehicle. If not, these funds will become taxable.
- Final Average Compensation (FAC) is determined at the time of entry into DROP, which may be years before the actual retirement. Future salary increase will not impact the DROP benefit. Probability of salary increases should be considered when making this choice.
- Employment continues during the DROP participation period, but no service credit is earned since no contributions are being remitted and benefits are being placed in a DROP account. Once Drop participation ends, additional service credit can be earned if employment continues and contributions are made.
- A retirement option and beneficiary for retirement in DROP accounts are selected at the time DROP participation begins. This option selection cannot be changed at a later date. If the beneficiary dies, the option can be changed to the maximum.
- Consider DROP participation carefully. It is not always the best option.

### DETERMINE YOUR DROP WINDOW!

Employees must remember that they become eligible for DROP when they reach their FIRST retirement eligibility requirement and MUST begin participation within 60 days of the FIRST eligibility date to participate for the full 36 months. Employee must meet the years and age requirements. CAUTION: Years of service is determined by the LASERS Annual Member Statement. Service years can be greater than those actually worked if the employee purchased eligible service time.

Example An Accountant Supervisor is turning age 55 . She will have 27 years of state service on her birthday. She must elect to enter DROP within 60 days of her 55th birthday since this the FIRST eligibility she meets. Under Regular Retirement (hired prior to 07/01/2006) she will have 25 years of service at age 55 before she ever meets the eligibility of 30 years at any age, or 10 years of service at age 60.