

## **NOTICE OF INTENT**

### **Department of the Treasury Board of Trustees of the Louisiana State Employees' Retirement System**

#### **Limitation on Earnings (LAC 58:I.2513)**

The Department of the Treasury, Board of Trustees of the Louisiana State Employees' Retirement System ("LASERS") proposes a repeal of LAC 58:I.2513 in its entirety. A review of the rule shows that it is repetitive and potentially confusing. Because the rule essentially duplicates the provisions of the statutory law enumerated in La. R.S. 11:221 concerning a limitation on earnings, a repeal of §2513 would streamline and simplify LASERS disability rules. The proposed rule change complies with and is enabled by R.S. 11:515.

### **Title 58**

#### **RETIREMENT**

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

##### **Chapter 25. Procedures for Processing Disability Applications**

##### **§ 2513. Repealed.**

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

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 22:373 (May 1996), amended LR 24:1959 (October 1998), LR 27:1581 (September 2001), LR 38:836 (March 2012), repealed LR 41:.

##### **Family Impact Statement**

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

##### **Poverty Impact Statement**

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

### **Small Business Statement**

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

### **Provider Impact Statement**

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

### **Public Comments**

Interested persons may submit written comments on the proposed changes until 4:30 pm, November 30, 2015 to Steve Stark, Board of Trustees for the Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, LA 70804. No rule preamble has been prepared.



Cindy Rougeou  
Executive Director

# INITIAL REPORT TO THE LEGISLATURE

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## Title 58

### RETIREMENT

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

#### Chapter 25. Procedures for Processing Disability Applications

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Cindy Rougeou  
Executive Director

Louisiana Administrative Code Currentness

Title 58. Retirement

Part I. Louisiana State Employees' Retirement System

Chapter 25. Procedures for Processing Disability Applications

La. Admin Code. tit. 58, pt. I, § 2513

### § 2513. Limitation on Earnings

- A. If a disability retiree is gainfully employed, the amount of the retiree's earnings are limited; the total amount of earnings plus the disability benefit cannot exceed his final average compensation.
- B. For purposes of computing this limitation, an annual cost-of-living adjustment to the final average compensation shall be made based on the Federal Consumer Price Index for the preceding calendar year.
- C. Each disability retiree may be required to submit a notarized annual statement of earned income for the previous calendar year. The statement must be submitted no later than May 1, of each calendar year, otherwise the benefit will be discontinued effective June 1 of that calendar year, without retroactive reimbursement, until the statement is filed. If a disability retiree refuses to submit the statement for the remainder of the calendar year, all the retiree's rights in and to the disability retirement may be revoked by the board.
- D. If the earnings limit is exceeded, LASERS may take appropriate action, including reducing future benefits to recover the amount of excess earnings. The disability retiree shall be notified in writing of the reduced amount at least 30 days prior to the reduction taking effect.
- E. If it is determined that a disability retiree is engaged in gainful occupation which places the retiree over the earnings limit, then the amount of the disability benefit may be reduced to an amount within the retiree's earnings limit. Should the retiree's earning capacity later change, the disability benefit may be further modified in accordance with [R.S. 11:221](#).

AUTHORITY NOTE: Promulgated in accordance with [R.S. 11:515](#).

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 22:373 (May 1996), amended LR 24:1959 (October 1998), LR 27:1581 (September 2001, LR 38:836 (March 2012).

**Current through rules published in the Louisiana Register dated August 20, 2015**

La. Admin Code. tit. 58, pt. I, § 2513, 58 LA ADC Pt I, § 2513

End of Document

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FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES

Person  
Preparing  
Statement: Steve Stark Dept: LASERS

Phone: 922-0398 Office: Legal Division

Return  
Address: 8401 United Plaza Blvd. Rule  
Baton Rouge LA 70806 Title: Disability Earnings Limits

Date Rule  
Takes Effect: January 20, 2016

SUMMARY  
(Use complete sentences)

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

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

The proposed rule change will have no impact on state or local government expenditures. The proposed change repeals a rule provision on disability retiree earnings limits that is unneeded because statutory law, §221 of Title 11 of the Revised Statutes, covers the same subject matter and remains in effect.

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

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

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

The proposed rule change concerns disability beneficiaries engaged in a gainful occupation paying more than the difference between their retirement allowance and their average final compensation. The proposed repeal of §2513 will not change these limits because La. R.S. 11:221 remains the law.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

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

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

9/17/2015  
\_\_\_\_\_  
Date of Signature

  
\_\_\_\_\_  
Legislative Fiscal Officer or Designee

9/22/15  
\_\_\_\_\_  
Date of Signature

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Legislative Fiscal Office

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

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

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

LASERS proposes to amend Chapter 25 of LAC Title 58 Part I dealing with disability retirees. A review of §2513 finds that it is redundant and unneeded. The legislature enacted La R.S. 11:221 which authoritatively sets out the procedures for limiting the earnings of persons receiving a disability retirement from LASERS. The LASERS Board of Trustees has decided to repeal LAC 58:I.2513 in its entirety.

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

LASERS staff saw an opportunity to remove an unneeded and potentially confusing rule.

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

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

No.

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

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

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

**FISCAL AND ECONOMIC IMPACT STATEMENT**

**WORKSHEET**

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

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

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

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

The proposed rule amendments have no anticipated implementation cost.

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

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

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

Yes.

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

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

No impact is expected on local governmental units.

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

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

FISCAL AND ECONOMIC IMPACT STATEMENT

WORKSHEET

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

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

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

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

\*Specify the particular fund being impacted

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

N/A

## FISCAL AND ECONOMIC IMPACT STATEMENT

### WORKSHEET

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

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

The rule proposed for repeal affects disability beneficiaries engaged in a gainful occupation paying more than the difference between their retirement allowance and their average final compensation. Their limits remain unchanged, however, because the governing law, La. R.S. 11:221, remains in effect.

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

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

#### IV. EFFECTS ON COMPETITION AND EMPLOYMENT

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

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