City Parish Employees' Retirement System
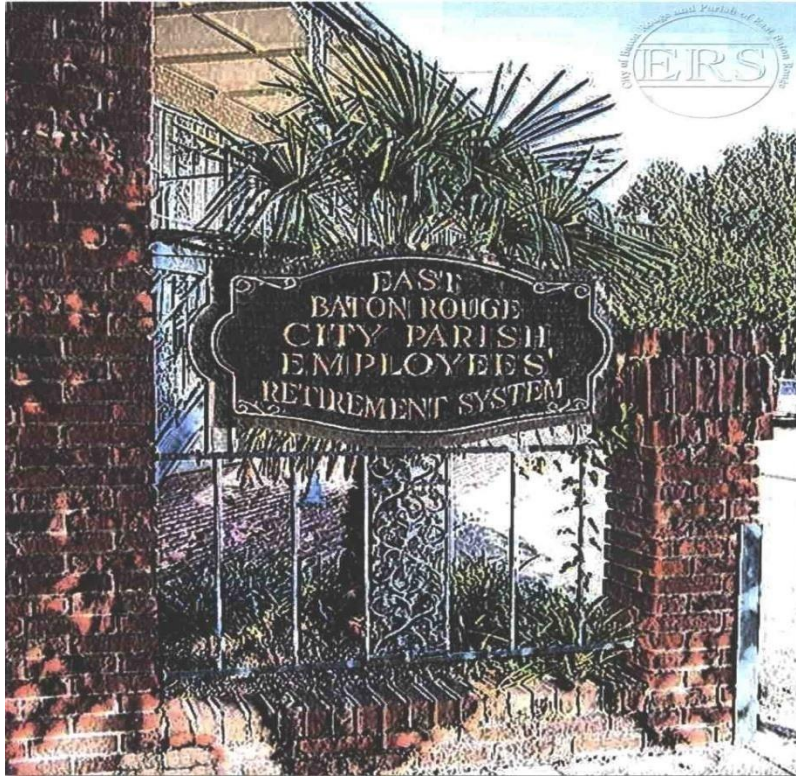
CPERS

7 Member Board of Trustees

Types of Creditable Service

- Actual City-Parish service for which contributions are received
- Prior service
- Some CETA service
- Transferred service
- Military service (up to 3 years at no charge)
- Trade of accrued sick and vacation leave
- Any approved leave without pay may be purchased for creditable service (Family Medical Leave, Workers' Comp, Military Leave)

Transferred Service

- Actuarial transfer of service from other Louisiana public employee retirement systems after 6 months of employment
- Contributions must be on deposit with the transferring system
- Actuarial deficiencies may exist between systems
- Retirement percentage factors remain the same after the transfer
- Sec. 457 (deferred comp) monies can be used to pay deficiencies

The Retirement Formula

2.5% (<25 Years) OR 3.0% (>= 25 years)

X

Years of Creditable Service

X

Highest Successive 36 Months Average Salary *(hired prior to 9/1/15)*

OR

Highest Successive 60 Months Average Salary *(hired on or after 9/1/15)*

---------------------- (divided by) ----------------------

CPERS Monthly Benefit

Service Allowance Retirement

- 10 Years of Creditable Service
- **Age 55 (hired prior to 9/1/15)**
- **Age 60 non-public safety, age 55 public safety (hired on or after 9/1/15)**
- 2.5% Factor Per Year
- Surviving Spouse Benefits Available
- 3-Year DROP Participation Eligibility

- 25 Years of Creditable Service
- **Any Age (hired prior to 9/1/15)**
- **Age 55 non-public safety, age 50 public safety (hired on or after 9/1/15)**
- 3.0% Factor Per Year
- Surviving Spouse Benefits Available
- 5-Year DROP Participation Eligibility

Service Retirement Examples

Average Compensation: $3,000/month

Years of Service: 10

Age: 60

Calculation: 2.5% x 10 = 25%

25% x $3,000 = $750/month

Average Compensation: $4,000/month

Years of Service: 25

Age: 55

Calculation: 3.0% x 25 = 75%

75% x $4,000 = $3,000/month

DROP
(Deferred Retirement Option Plan)

- **Contractually agreed upon pre-retirement program that allows the member to accumulate from 2 to 5 years' benefit amounts in an interest earning account while remaining employed**

- 3 year DROP **at retirement eligibility date** with 10+ years service

- 5 year DROP **at retirement eligibility date** with 25+ years service

- DROP saves your retirement benefit plus interest while you keep working

- DROP is tax deferred and state tax exempt

- **EXAMPLE**: $2000 Benefit X 60 months (5 years) = $120,000.

*Member must be eligible for at least 2 years participation to sign up and may leave at any time. No member is required to participate in the DROP.

Service-Connected Disability

- Eligible on first day of employment for a job related injury
- Member must be totally and permanently disabled
- 50% of highest average compensation + 1.5% per year for all years over 10 years
- 50% surviving spouse benefit available
- Member must be a contributing member when applying
- Partially tax-exempt (1st 50%)
- Subject to earned income limitations
- Mandatory Workers Compensation offset

Ordinary Disability

- Minimum 10 years of creditable service required

- Member must be totally and permanently disabled

- Not job-related

- 50% of highest average compensation

- No special tax treatment

- No surviving spouse benefit

- Must be a contributing member to apply

- Subject to earned income limitations

Survivor Benefits

Option 1: Member's Retirement Contribution Balance-Pays out the remaining balance of the member's contributions not received at the date of death of the member. Cost results in an actuarial reduction of member's benefit.

Option 2: Surviving Spouse Benefit-Available at 50%, 75% or 100% of member's retirement benefit. Cost results in an actuarial reduction of the member's benefit.

Option 3: Survivor Benefit For Someone Other Than The Member's Spouse- Amount and duration of payment defined by the member prior to retirement or DROP entry. Cost results in an actuarial reduction of the member's benefit.

Active member surviving spouse: For the spouse of those members who never qualified for a benefit. $600/month surviving spouse benefit (ceases at remarriage).

Surviving Minor Child: $150/month per surviving minor child (limit of $300/month total benefit) and ceases at age 18.

Active member beneficiary(s): Survivor(s) can also choose to receive a refund of member contributions less any applicable benefit due to surviving minor children.

Former Spouse Issues

- A former spouse can assert a right to your CPERS benefit if you were legally married during any of your years of employment covered by CPERS when no community property settlement has been executed to protect your benefit rights. CPERS will only follow a court order in payment of a portion of a member's benefit and/or DROP account to a former spouse.
- Typically the benefit split is completed according to the Sims vs. Sims formula:

- **(Number of years of community**
- **during employment)**
- **--- X 50%**

(Number of years of creditable service)

CPERS ADMINSTRATION
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Please visit our website for additional retirement information....

www.brgov.com/dept/ers