

IMPORTANT POINTS TO REMEMBER

- ◆ **When service is transferred, the transferring system's annual percentage factor for those years is maintained in the receiving system.** At the time of retirement, your pension may be affected by the use of two different percentages.
- ◆ It is generally best to transfer service at the earliest opportunity because as time goes by the actuarial liability cost rises.
- ◆ If you received a refund of retirement contributions when you terminated employment with an LERS, you will need to repay the refund before a transfer of service can be completed. This repayment will likely involve the payment of interest, so again it is best to take care of this early. Before repaying, wait to receive your calculation of benefits.
- ◆ CPERS will allow two cost-free transfer calculations per member. For any additional transfer calculations, the member will pay the full cost of the actuarial transfer calculations.
- ◆ The cost of repaying a retirement contribution refund or an actuarial deficiency can be paid using a rollover/trustee to trustee transfer of funds from a qualified plan under code sec. 401(a), 401(k), 403(b) or 457 deferred compensation plan.

LOUISIANA PUBLIC EMPLOYEE RETIREMENT SYSTEMS (LERS)

City of Alexandria Employees Retirement System

Louisiana Assessor's Retirement Fund

*City of Baton Rouge and Parish of East Baton Rouge
Employee's Retirement System (CPERS)*

Louisiana Clerks of Court Retirement and Relief Fund

District Attorneys' Retirement System

Firefighters' Retirement System of Louisiana (FRS)

Harbor Police Retirement System

Employees' Retirement System of Jefferson Parish

*Municipal Employees' Retirement System of Louisiana
(MERS)*

*Municipal Police Employees' Retirement System of
Louisiana (MPERS)*

City of New Orleans Employees' Retirement System

New Orleans Firefighters' Pension and Relief Fund

Parochial Employees' Retirement System

Registrars of Voters Employees' Retirement System

Louisiana School Employee's Retirement System (LSERS)

Sewerage and Water Board of New Orleans

Sheriffs Pension and Relief Fund

Employees Retirement System-The City of Shreveport

Louisiana State Employees' Retirement System (LASERS)

Louisiana State Police Retirement System

Teachers' Retirement System of Louisiana (TRSL)

Transfers Of Service



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Transfers Of Service

This brochure explains the process of transferring creditable service from one Louisiana public employee retirement system to another.

If you are a City Parish Employee's Retirement System (CPERS) contributing member and you were previously employed in a position that required you to contribute to another Louisiana public employee retirement system (LPERS), LA Revised Statute 11:143 provides a method for you to transfer your creditable service to your current retirement system, CPERS. Even if you are not a currently contributing member of CPERS, but CPERS was the last system to which you contributed, it may be possible for you to complete a **reverse transfer** of service from another LPERS to CPERS in order to retire. You can also complete a transfer from CPERS to another LPERS in the event you leave employment covered by CPERS and then become covered by another LPERS.

In order to transfer service, you must have been a contributing member of your current system for at least six (6) months. Service that is served

concurrently in both the transferring and receiving system is not eligible for transfer. All service, including military service is transferable, provided that the cost is fully paid to the receiving system.

HOW THE PROCESS WORKS

You must make a written application to the receiving retirement system, requesting a transfer of service under R.S. 11:143.

The receiving system will then request a transcript of your service and a calculation of the dollar amount that is available to be sent from the transferring system.

This dollar amount comprised of:

- A) employee retirement contributions
- B) employer retirement contributions,
- C) interest calculated at the transferring system's assumed interest rate (for CPERS, this rate would be 7.25% compounded annually).

The transferring system complies with the request and sends the necessary documents (this step may take 30-90 days depending on the transferring system). The receiving system sends the data collected from the transferring system, plus your current salary and history data to the system's actuary for computation of the receiving system's liability and the cost, if any, to you. The actuary responds in writing outlining the receiving system's cost for assuming your additional service. His response will also show any actuarial deficiency caused by the transfer. An actuarial deficiency exists when the liability being assumed by the receiving system exceeds the dollars available for transfer from

the transferring system. The receiving system communicates the results of the transfer analysis to you. At this point you will have up to 90 days to decide whether or not to proceed with the transfer process.

EXAMPLE:

Assume an employee has been a contributing member of CPERS for one year. Prior to CPERS coverage, the employee worked for three (3) years at a Louisiana state agency and was a contributing member of LASERS.

After application at CPERS for a transfer of service, LASERS verifies that the employee has three years of creditable service for which retirement contributions are on deposit, and calculates the amount of transferable funds to be \$10,000.

After being provided the LASERS data and the current CPERS data, the actuary calculates the cost of the three years of liability being assumed by CPERS to be \$12,000. A deficiency of \$2,000 exists.

At this point the member has three options:

- 1) Pay the \$2,000 deficiency and receive credit in CPERS for the full three years.
- 2) Decline paying the deficiency and receive a reduced amount of service:
 $(\$10,000/\$12,000) \times 3 \text{ years} = 2.5 \text{ years}$
- 3) Pay part of the deficiency to receive partial credit.
- 4) Cancel the transfer process altogether.