

NOTICE OF INTENT

Department of Treasury
Board of Trustees of the Teachers' Retirement System

Voluntary Deductions from Retiree Benefits Payroll
(LAC 58:III)

In accordance with the legal authority granted under R.S. 11:821 that provides for the general administration and responsibility for the proper operation of the retirement system, the Board of Trustees of the Teachers' Retirement System of Louisiana (TRSL) hereby provides notice of its intention to adopt the following rules to establish a program of voluntary deductions from the retiree benefits payroll.

General

Any TRSL retiree, beneficiary or survivor is eligible to participate in a program established for the voluntary deduction from his/her retirement benefit for life, health, supplemental, dental, cancer or other insurance premiums and for deductions for savings, loans, or other payments to be sent to banks and credit unions.

Application Process

1. Application for participation in the program must be made by the insurance carrier, bank, or credit union which is the provider of the coverage, product, service or depositor of monies and shall be signed by two officers of the company, bank or credit union. The completed application must be submitted to TRSL for approval prior to any deductions being withheld from the retiree's monthly benefit.

Requirements:

1. Domestic companies shall:
(a) have been licensed to do business in the state of Louisiana for not less than five years;
(b) have a current rating in A. M. Best of B or better;
(c) have been doing business under the same name for not less than three years;
(d) provide a like product, service, or coverage to citizens of Louisiana;
(e) be in compliance with all procedural, accounting, and reporting requirements governing employee deductions.

2. Foreign companies shall:
(a) have been licensed to do business in the state of Louisiana for not less than five years;
(b) have a current rating in A. M. Best of B+ or better;
(c) have been doing business under the same name for not less than three years;
(d) offer a like product, service, or coverage to citizens of Louisiana;
(e) be in compliance with all procedural, accounting, and reporting requirements governing employee deductions.

3. Companies/credit unions must be regulated by the Department of Insurance or the Office of Financial Institutions.

4. Companies/credit unions are responsible for submitting a computer diskette of monthly deductions to TRSL by the 12th day of the month preceding the month for which the deduction will be made using the format and specifications established by TRSL. Diskettes received after the 12th day will not be processed. (Magnetic tapes will be accepted only under certain conditions). All deductions for a single vendor shall be submitted on one monthly diskette and the retiree will be allowed only one monthly deduction per vendor. This deduction may cover more than one product for a single vendor. Only deductions received on computer tape/diskette will be processed.

5. Companies/credit unions shall be responsible for obtaining and maintaining appropriate deduction authorization from individual retirees. Copies shall be made available to TRSL upon request.

6. Companies/credit unions are responsible for contract/loan terms between companies/credit union and retirees. TRSL assumes no responsibility for the contract or terms of agreement.

7. Retirees may discontinue any voluntary payroll deduction from their monthly benefit check by providing written notification to the vendor.

8. A retiree cannot authorize total deductions which would cause the net amount of the

benefit to fall below \$5.

9. Companies/credit unions must have a minimum of 50 TRSL retirees to participate in the program. However, companies will be allowed six months after initial approval to meet the minimum participation requirements.

10. TRSL will not deduct monthly premium amounts for any retiree who owes monies to TRSL or has their benefit suspended.

11. Companies/Credit Unions shall notify TRSL immediately upon learning of the death of a retiree. In the event TRSL has remitted funds to the company/credit union after the death of a retiree and these funds were not due the retiree, company/credit union shall refund said monies to TRSL after notification.

12. Upon learning of the death of a retiree, even if not notified by the company/credit union, TRSL shall be refunded any monies transmitted but not due after notification. The company/credit union will accept the certification of TRSL as to date of death of retiree as sufficient evidence of date of death in regard to any funds owed to TRSL.

Disclaimer:

1. The company/credit union is prohibited from stating that any product offered has been endorsed or approved by TRSL.

Transmittal of Withheld Amounts

1. Amounts will normally be transmitted to company/credit union by wire transfer by the 10th of each month. If the 10th is a week-end, the first working day after the 10th will be the date of transmittal. In the event of computer/technical production problems beyond the control of TRSL, it is possible that transmittal of funds would not be made on the 10th day of the month.

2. TRSL will provide the company/credit union a computer print-out of the names of individuals, social security numbers and the amounts withheld.

3. TRSL may adjust print-out totals by amounts owed TRSL due to death of an individual. These individuals will be identified by name and social security number.

Termination of Payroll Deduction

1. The Board of Trustees may terminate the voluntary payroll deduction program by providing the company/credit union with at least 30 days written notice.

2. Immediately upon notice from TRSL individual company/credit unions may be terminated for unethical conduct or practices.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:821

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Board of Trustees of the Teachers' Retirement System of Louisiana, LR 22:

Interested persons may comment on the proposed rule in writing until 4:00 p.m., November 29, 1996, at the following address: Bonita B. Brown, CPA; Assistant Director; Teachers' Retirement System of Louisiana; Box 94123; Baton Rouge, LA 70804-9123.

Jr.

James P. Hadley,

Director

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

RULE TITLE: Voluntary Deductions from Retiree Benefits Payroll

- I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)
No cost or savings.
- II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)
There will be no effect on revenue collections.
- III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

Retirees will have the opportunity to have deductions for insurance, loans, etc., made from their retirement benefit.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There will be no effect on competition or employment.

James P. Hadley, Jr.
Monk
Director

H. Gordon

9609#079

Chief Coordinator of the
Legislative Fiscal Office