

## **Retirement Board**

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## *Legislators' Retirement System*

### *Frequently Asked Questions*

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#### ***Are Legislators members of the Public Employees Retirement System?***

No. Legislators are members of the Legislators' Retirement System (LRS) that is administered at the request of the Legislature by the Public Employees' Retirement Board.

If a legislator is employed by a public employer participating in PERS, the legislator may elect to remain in PERS subject to certain requirements. Public employees who are elected to the legislature should contact PERS to review their options regarding continued participation in PERS versus the LRS.

#### ***Are Legislators required to participate in the LRS?***

No. A legislator may, within 30 days after he is first elected or appointed to office, elect not to participate as a member of the LRS by submitting a written notice thereof to the Public Employees' Retirement Board and the Director of the Legislative Counsel Bureau. A legislator may thereafter terminate his participation as a member of the LRS by written notice. A legislator who terminates his participation as a member of the LRS is not eligible thereafter to participate as a member of the LRS.

A legislator who elects not to participate in the LRS or who terminates participation in the LRS gives up valuable rights associated with the LRS, including, but not limited to, retirement benefits and survivor beneficiary coverage. Legislators may contact PERS with any questions regarding participation in the LRS.

#### ***What amount do Legislators pay in contributions?***

Legislators pay 15% of their gross compensation as a legislator to the LRS. The Legislature, as the employer, pays contributions based upon the required actuarial cost to fund the LRS.

#### ***What happens to the money paid to LRS?***

All contributions are deposited in the Legislator's Retirement Fund. These funds are invested and the total is used to pay benefits.

***When does service credit for a Legislator begin and end?***

Service for a legislator who takes office on or after July 1, 1975, begins on the day after his election or appointment and ends on the day of his successor's election (unless sooner terminated by death, resignation, or removal from office).

***Can Legislators include PERS service with LRS service?***

No. If a legislator has service in both the LRS and the PERS system, the service credit cannot be combined. Upon retirement, separate benefit calculations will determine the LRS benefit and the PERS benefit.

***What are the eligibility requirements for retirement?***

If a legislator is newly elected after July 1, 1985, they must have at least 10 years of service, be age 60, and no longer be a legislator in order to retire without benefit reduction. If a legislator is no longer serving, has at least 10 years of service but is not the age of 60, they can elect to wait to receive their benefit until the age of 60 or begin receiving a reduced benefit prior to the age of 60. The minimum requirement for an unreduced benefit for a legislator elected prior to July 1, 1985, is 8 years of accredited service at age 60.

***How are benefits determined if a Legislator retires from the LRS?***

For all legislators retiring on or after July 1, 1975, the monthly retirement allowance is \$25 for each year of service up to 30 years of service. Fractions of a year will be included in this computation. For instance, a legislator at age 60 with 8 years of service (election prior to July 1, 1985) could receive a maximum of \$200 per month (8 x \$25) or as another example, \$750 per month with 30 years of service.

***If a Legislator retires from LRS can they provide coverage for a beneficiary to take effect upon their death?***

Yes. When a legislator retires they may choose from two forms of optional coverage. One option provides a legislator with an actuarially reduced benefit for their lifetime and the same allowance will continue upon their death to their beneficiary. The other provides them with an actuarially reduced benefit for their lifetime, and 50% of the same allowance will continue upon their death to their beneficiary. If the legislator elects coverage for a beneficiary as described, but the beneficiary predeceases the legislator, the benefit will be adjusted to the full monthly allowance due at the time of retirement, to be effective on the first day of the month following the beneficiary's death.

***If a Legislator dies while an active member of the LRS, what survivor benefits are available?***

If a legislator has 2 years of service within the last 2 1/2 years, survivor benefits are available to dependent children and surviving spouse. Dependent children will receive \$400 per month per child through age 18 and can continue through the age of 23 as long as they remain full time students until that time. In addition, a surviving spouse will receive \$450 per month, with benefits ceasing upon remarriage or death. The surviving spouse of a vested member is eligible to receive a computed benefit that continues for the spouse's lifetime, regardless of remarriage.

***Are refunds of contributions available to LRS members, and what are the eligibility requirements for refunds?***

Legislators are eligible to withdraw personal contributions if they are no longer accruing service in the LRS and have completed a request for a refund. Legislators are not required to take a refund of personal contributions even if they are eligible for a refund. Refunds of contributions cancel all membership rights and service credit in the LRS.