



IBRP (Initial Benefit Retirement Plan)

Fact Sheet – 14

LOUISIANA SCHOOL EMPLOYEES'
RETIREMENT SYSTEM

The Initial Benefit Retirement Plan (IBRP) is a retirement plan which allows you to receive a combination of a lump sum benefit (an advance payment) and a reduced lifetime monthly benefit. This plan is available to you once you become eligible for service retirement. It is not available under our 20 Year Early Retirement Plan nor if you have entered DROP.

Information regarding your retirement eligibility, benefit options, and unused leave can be found in the [Regular Service Retirement](#), [Benefit Options](#), and [Unused Leave](#) Fact Sheets.

The largest possible lump sum benefit available is the equivalent of 36 times your Maximum lifetime monthly benefit option. You may choose a specific lump sum amount not to exceed the maximum. A smaller initial benefit will lessen the reduction to your lifetime monthly benefit. At retirement, you may choose any lifetime monthly benefit option available to you except Option 1.

Please see examples below (numbers used are for example only):

Standard Retirement Formula

$$\begin{array}{ccccccccc} 5.00 & \times & .025 & \times & \$3,333.33 & = & \$416.67 \\ \text{Service credit} & & \text{Accrual Rate} & & \text{Monthly Average} & & \text{Maximum Monthly Benefit*} \end{array}$$

Service or DROP Retirement

Lifetime Monthly Benefit Options

Maximum	Option 2	Option 2A	Option 3	Option 3A
\$416.67	\$362.58	\$351.82	\$392.02	\$385.65

IBRP Retirement – *Maximum \$416.67 x 36 months = \$15,000.12

Lifetime Reduced Monthly Benefit Options based on IBRP Benefit \$15,000.12 (Maximum)

Maximum	Option 2	Option 2A	Option 3	Option 3A
\$297.88	\$253.14	\$245.63	\$273.70	\$269.25

Lifetime Reduced Monthly Benefit Options based on IBRP Benefit \$10,000.08 (specific amount)

Maximum	Option 2	Option 2A	Option 3	Option 3A
\$340.81	\$289.62	\$281.03	\$313.14	\$308.05

Lifetime Reduced Monthly Benefit Options based on IBRP Benefit \$5,000.04 (specific amount)

Maximum	Option 2	Option 2A	Option 3	Option 3A
\$383.74	\$326.10	\$316.43	\$352.58	\$346.85

IBRP Advantages

- IBRP is not time sensitive, meaning there is no deadline by which you must join.
- Because there is no deadline to join, you may work as long as you want, allowing your benefit to grow.

IBRP Disadvantages

- Your monthly benefit will be reduced for your lifetime, and that of your beneficiary if you choose Options 2, 2A, 3, or 3A.
- You cannot make additional deposits into your IBRP account.

Spousal Consent

Your IBRP account is community property. Therefore, if you do not designate your spouse to receive at least 50% of your IBRP account balance remaining at your death, your spouse will be required to sign [Form 11 – Spousal Consent for DROP/IBRP Account](#).

IBRP Account and Interest Earnings

After your monthly retirement benefit is finalized, your IBRP account is created and begins to earn interest.

If you were eligible to retire prior to January 1, 2004, the rate of interest your account will earn is equal to the realized rate of return on the system's assets less 0.5%. The realized rate of return is calculated and established by the system's actuary after the end of each fiscal year.

If you are eligible to retire on or after January 1, 2004, your IBRP funds will be managed by the Empower Retirement, whose contact information is 800.701.8255 or www.louisianadcp.com.

Refer to [DROP and IBRP Interest Rate](#) publication on our website for historical and current interest rates.