



LOUISIANA SCHOOL EMPLOYEES'
RETIREMENT SYSTEM

Transfers of Service Credit and Reciprocal Agreements

Fact Sheet – 5

Complete [Form 9](#) to apply for a transfer, accrual rate upgrade, or reciprocal agreement.

Transfer of Credit Between Systems; Actuarial Transfer

You may apply for a transfer of credits to this system if you have been a member of LSERS for at least six months and also have credit in another Louisiana public retirement system. Service credit may be transferred at the accrual rate of the transferring system, or if you choose, you may pay the actuarial liability to have your accrual rate increased to LSERS current rate. You may transfer service from more than one system. The purpose of the transfer would be to have all of your years of service in LSERS. No concurrent service may be transferred.

A calculation fee in the amount of \$125.00 made payable to LSERS is required to have the cost of one transfer calculated. If you pursue a transfer from more than one system at the same time, an additional \$50.00 per system is required. The transfer cost is calculated by our actuary. Once the fee is received, our actuary will calculate the cost. LSERS will notify you of the transfer cost, which will include the accrual rate increase, if applicable. The system transferring the credit will transfer to this system the lesser of the following:

1. All employee contributions you paid, plus contributions paid by your employer, plus interest on total contributions based on the transferring system's board-approved actuarial valuation rate, **or**
2. Actuarial cost of transferred service

Please note, if the transferring system does not have enough funds to transfer all your service, you will have to pay the difference to receive all your service credit. You will have the option to accept a reduced amount of service credit in lieu of paying the difference. Contact this system if you are interested in a transfer of credit.

Accrual Rate Upgrade Opportunity on Already Completed Transfers

You may pay the actuarial liability to upgrade your accrual rate on a transfer completed on or after July 1, 2013. This allows you the opportunity to have your accrual rate increased to your current rate with LSERS. For example, if you transferred two years of service credit from Teachers' Retirement System of Louisiana with an accrual rate of 2% and your current LSERS accrual rate is 3.33%, you can pay the actuarial cost to increase your accrual rate for those two years from 2% to 3.33%. You must pay the \$125 fee to have the accrual upgrade cost calculated. This an actuarial cost that is computed by our actuary.

Reverse Transfer

If you are a member of LSERS and have previously transferred service into this system, you may reverse that transfer back to the retirement system the service came from. A reverse transfer may only occur immediately before your official effective date of retirement from the other system. Your request for a reverse transfer must be sent to us along with a copy of your retirement application from the other system. On the day of transfer you must end your employment that made you eligible for LSERS.

The cost of the reverse transfer is calculated the same as an actuarial transfer. See the previous section for an explanation of the cost.

Reciprocal Agreements; Credit in Another System

You may apply for a reciprocal recognition of service agreement if you have been a member of LSERS for at least six months and also have credit in another Louisiana public retirement system based on previous employment. Under this agreement each system will recognize the total years of service you have in each system.

The reciprocal agreement will allow you to combine all of your years of service to gain eligibility for regular retirement, disability, or survivor's benefits. When you become eligible for retirement, a benefit will be paid from

LSERS based on the years of service and salary you earned while a member of this system. You will also receive a benefit from the other system or systems based on your years of service and salary earned while you were a member of the other system or systems.

If you have a reciprocal agreement with LSERS and another Louisiana public retirement system, you will be allowed to participate in DROP upon meeting the highest eligibility credit between the reciprocating systems. The member normally receives a lesser amount by having the time split between systems, rather than having all of the time in one system. With the reciprocal agreement you do not lose any time actually worked. This process can be completed at no cost to you, unless you have refunded your contributions from the other system. In this case you would have to pay back the amount you withdrew, plus interest, to the other retirement system.

It is your responsibility to notify and file applications with both systems when you become eligible for retirement. You should immediately contact the system to which you are currently contributing if you wish to execute a reciprocal agreement.

About Reciprocals and Transfers of Service

- All Reciprocal Agreements and Transfers of Service must be finalized and completed before your effective date of retirement (Regular, DROP, IBRP, or Disability).
- If you have a Reciprocal agreement, you must apply for benefits with each system in which you have membership. A separate application for each system is required.