



Teachers' Retirement System of Louisiana

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BOARD OF TRUSTEES

March 23, 2020

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Dear Senator Price and Representative Harris,

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Retired Members

Kelly Thompson
School Food Service

Paul E. Nelson, Ph.D.
Superintendents

Thomas F. Stafford, Ph.D.
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Pursuant to R.S. 49:968(D)(1)(b), the Board of Trustees of the Teachers' Retirement System of Louisiana (TRSL) hereby announces its plan to proceed with rule-making by finalizing the February 20, 2020, Notice of Intent that was promulgated on page 291 of the February 2020 Louisiana Register. The proposed rule changes would amend, promulgate, and repeal portions of LAC 58:III Chapter 5 relative to the Deferred Retirement Option Plan (DROP) in order to clarify the rules contained therein, ensure better sequential and chronological placement within the regulatory framework, remove obsolete or outdated language, and ensure harmonization with current TRSL practices and federal tax rules. The proposed rule changes would also repeal Chapter 9 Computation of Final Average Compensation, and the single section contained therein, LAC 58:III.901, Time Frames for Computation, as that provision relating to time frames for computing Final Average Compensation is obsolete. The proposed changes are being made pursuant to the authority contained in R.S. 11:826.

Appointed
Lance Harris
Chairman, House
Retirement Committee

Ex Officio
Edward J. Price
Chairman, Senate
Retirement Committee

John M. Schroder
State Treasurer

John White
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of Education

Below is a summary and explanation of the proposed rule changes.

Jay Dardenne
Commissioner, Division
of Administration

Director
Dana L. Vicknair

Deputy Director
Katherine Whitney

Assistant Director
Jeff LaCour

Chapter 5 - Deferred Retirement Option Plan (DROP)

501 Definitions and General Provisions

Chief Investment Officer
Philip Griffith

Executive Counsel
Douglas Swenson

Executive Staff Officer
Lisa Barousse

Executive Assistant
Debbie Boudreaux

Section 501, in its current form provides DROP eligibility requirements for various TRSL plan members. For the most part, it is a restatement of what is in current statutory law, and is therefore redundant, so the rule is being repealed.

The portion of section §501 related to School Food Service Plan A members' DROP eligibility is being relocated to newly created section §502 as that portion is not wholly contained in statute.

A new section §501 would consist of general definitions and provisions that would cover the remainder of the rules in this chapter. Provisions regarding "involuntary termination" and "voluntary termination" have been relocated from §507 as those terms are definitions and more appropriately belong with other definitions. General provisions have been drafted based upon current practice of TRSL.

§502 Service Requirements for School Food Service Plan A

The portion of current §501 related to School Food Service Plan A members' DROP eligibility is being relocated to newly created section §502 as that portion is not wholly contained in statute.

§503 Management of DROP Accounts

Section §503(A) is being amended to include a provision which addresses how DROP deposits will be prorated during the first and last months of DROP participation. Similar language is being deleted from current Section §507 in favor of relocation to Section §503(A). Section §503(B)(3) is being amended to add a provision that addresses when a statement is issued to a participant after completion of DROP but prior to termination of employment. Section §503(C) is being enacted to clarify that interest earnings will be calculated on the daily principal balance and posted annually or monthly, which is in conformity with TRSL's current practices.

§505 Duration of DROP Participation

Section §505 is being amended. The substance of the introductory language of Subsection (A) pertaining to three year DROP participation is retained, but is being broken out into a more easily readable format. The remainder of the rule dealing with transitional provisions between the two year DROP program and the three year DROP program is being repealed as TRSL does not have any members to whom the transitional provisions apply. Therefore that language is obsolete.

§507 Retirement Benefits

Section §507 is being repealed as a stand-alone provision. Language establishing definitions for "voluntary termination" and "involuntary termination" will instead be moved to proposed Section §501(A) for better sequential and chronological placement within the regulatory framework. With regard to Section §507(A)(3) addressing proration of DROP deposits, similar language has been relocated to Section §503(A) as discussed above.

§509 Withdrawal of Funds from a DROP Account

Section §509(A) is being amended to clarify that DROP withdrawals may only begin after the first regular retirement benefit has been issued.

Section §509(A)(6)(a)(i) is being amended to more closely adhere to federal tax guidance with regard to one time partial lump-sum withdrawals from TRSL DROP accounts occurring after regular distributions have begun for individuals who are at least age 55. The amendment provides that the individual need only be at least age 55 *in the year of retirement* rather than *on the date of retirement*, which is more consistent with federal tax guidance.

Section §509(B) is being enacted to provide that any selection of a withdrawal method should be made by the participant at least 30 days prior to the disbursement, but in no case later than 8 business days prior to the disbursement. The section is also being amended to codify TRSL's procedures for required beginning dates for DROP distributions and to reflect changes to the Required Minimum Distributions (RMD) made by the SECURE Act recently passed by Congress which changes RMD age from 70 ½ to age 72: members under age 72 in the year of retirement must begin withdrawals within 12 months of retirement, while members 72 or older in the year of retirement must begin withdrawals the earlier of April 1 of the calendar year following date of retirement or 12 months after retirement.

§510 Distributions Provided for by Gulf Opportunity Zone Act of 2005

Section §510 is being repealed. The federal Gulf Opportunity Zone Act of 2005 provided tax relief on certain distributions from retirement plans for individuals adversely affected by Hurricanes Katrina, Rita, and Wilma. Those federal provisions have been amended and repealed and are no longer applicable. Corresponding state statutes (La. R.S. 11:321 and 322) were enacted allowing DROP participants in Louisiana public retirement systems to avoid certain penalties and restrictions when taking DROP distributions up to a certain amount. Section §510, as presently written, provides further requirements for individuals applying for such distributions. However, because the statutory window within which to take such distributions closed on January 1, 2007, Section §510 is being repealed as its language is now obsolete.

§511 Change of DROP Withdrawal Method

Section §511(B) is being amended with technical changes for clarification purposes. As presently written, the rule implies different treatment for individuals based on whether they became eligible to withdraw DROP funds before or after January 1, 2003. As there is no practical or legal distinction for such date, the rule, as amended, would clarify that periodic disbursements based on life expectancy must be made in accordance with the Single Life Table (SLT), regardless of whether the date participant became eligible for disbursements before or after January 1, 2003. The rule as amended would also clarify an

exception to the above rule, by allowing individuals who are age 72 to meet their Required Minimum Distribution (RMD) requirements by selecting the following tables if applicable: the Single Life Table (SLT), the Uniform Life Table (ULT) or the Joint and Last Survivor (JLST).

Section §511(C) is being amended to provide that any change in withdrawal method should be made by the participant at least 30 days prior to the disbursement, but in no case later than 8 business days prior to the disbursement.

§513 Termination of DROP Participation

Section §513 is being amended to include a purely technical statutory reference to TRSL's survivor benefit provisions contained in R.S. 11:762.

§517 Affidavit of Plan Election

Section §517, as presently written, requires prospective DROP participants to complete and return their Affidavit of Plan Election to TRSL within 90 days of receiving the unsigned Affidavit from TRSL or within 90 days of their DROP start date (whichever is later). Failure to return the Affidavit within such time frame could result in the member being deemed not to have elected to participate in DROP. The majority of DROP participants typically meet this deadline. Section §517, as amended, would change the deadline from 90 days to 120 days. This would provide accommodation for members who have extenuating circumstances that prevent them from meeting the current 90 day deadline in a timely fashion (for example, difficulty obtaining divorce paperwork). Since terminating a member's DROP eligibility could have a serious impact on members and their employers, as well as causing administrative complications for TRSL, extending the deadline by 30 days would help alleviate these issues.

§519 Application for DROP

Section §519 would be repealed as a stand-alone provision dealing with DROP applications. Language addressing DROP applications will instead be moved to proposed Section §501(B) for better sequential and chronological placement within the regulatory framework. In addition to being moved, the DROP application language is being updated in proposed Section §501(B) to allow for administrative flexibility for TRSL, particularly with regard to electronic submissions.

§521 Teaching Experience

Section §521 would be repealed since it relates to the definition of "teaching service" contained in a return-to-work statutory provision (formerly La.R.S. 11:739) which was repealed in 1998.

Chapter 9 - Computation of Final Average Compensation

§901 Time Frames for Computation

Section §901 is being repealed as obsolete since the statute governing average compensation (R.S. 11:705(5)) has been amended making the rule inapplicable.

The Board has received no public comments and therefore has not conducted a hearing pursuant to R.S. 49:953(A)(2). Minor technical changes to the Notice of Intent were made at the suggestion of the state register's office. These changes, which are purely of a technical nature, are as follows:

- Changed "Liquid Asset Money Market Account" to "liquid asset money market account" in §503(C)(2).
- Various numerical references were altered from the spelled form (ex. 'thirty') in favor of the numerical form (ex. '30').

Pursuant to R.S. 49:968(D)(2)(a), the oversight committees may conduct a hearing relating to the proposed rules no earlier than 5 days and no later than 30 days after receiving the present report. The Governor's Proclamation JBE 2020-30 issued March 17, 2020, and extending to April 13, 2020, unless terminated sooner, states that all legal deadlines, including the deadlines contained in Title 49, are suspended until April 13, 2020. Therefore, the TRSL board, out of an abundance of caution and out of respect for the oversight committees will not take any action to finalize the proposed rules for publication until the passage of 30 days after resumption of the applicable legal deadlines by the governor. Thereafter, the Board will submit the rule to the Office of State Register for publication.

A copy of the rules with redlined changes is enclosed for your convenience.

The Notice of Intent containing the proposed rules can be viewed on page 291 at:
<https://www.doa.la.gov/osr/REG/2002/2002.pdf>

If you or your staff has any questions related to these proposed rules, please contact us.

Sincerely,



Matt Tessier
Deputy General Counsel

cc: Laura Gail Sullivan
Angela Lockett-DeJean
Tyler Bosworth

**Title 58
RETIREMENT**

**Part III. Teachers' Retirement System of Louisiana
Chapter 5. Deferred Retirement Option Plan (DROP)**

§501. ~~Service Requirements- Definitions and General Provisions~~

~~A. Members of the Teachers' Retirement System of Louisiana (TRSL), in lieu of terminating employment and accepting a retirement allowance, may elect to participate in the deferred retirement option plan (DROP) in accordance with R.S. 11:786-791 when the following eligibility requirements for plan participation are met.~~

~~1. Regular plan members:~~

- ~~a. 30 years of service credit at any age;~~
- ~~b. 25 years of service credit and at least age 55;~~
- ~~c. 20 years of service credit and at least age 65 (excluding military service);~~
- ~~d. 10 years of service credit and at least age 60 (excluding military service);~~
- ~~e. those members with 10 years of service credit and who are at least age 60 will have retirement benefits calculated using a 2 percent benefit formula.~~

~~2. School food service plan A members:~~

- ~~a. 30 years of service credit at any age;~~
- ~~b. 25 years of service credit and at least age 55; and~~
- ~~c. 10 years of service credit and at least age 60 (excluding military service).~~

~~3. School food service plan B members:~~

- ~~a. 30 years of service credit and at least age 55; and~~
- ~~b. 10 years of service credit and at least age 60 (excluding military service).~~

~~B. DROP participation may begin or end any day of the month. The effective date for participation in DROP will be the date a properly executed DROP application, including the designation of a DROP account beneficiary(ies), is filed in the office of TRSL or the stated effective date on the properly executed DROP application, whichever is later. In the event an employer fails to submit the application in a timely fashion, the provisions of R.S. 11:761 shall apply.~~

~~A. As used herein, the following words and phrases have the meanings ascribed to them in this Section unless a different meaning is plainly required by the context:~~

~~DROP Participant- A member for whom Deferred Retirement Option Plan participation has commenced due to TRSL having received a physically or electronically signed DROP application and who lives for at least thirty (30) days after the effective date of DROP participation.~~

~~Involuntary termination—the participant is terminated by the employer prior to completing the selected participation period and is not rehired by another TRSL employer on the following day.~~

Voluntary termination—the participant, for any reason, elects to withdraw from DROP prior to completing the selected participation period and also terminates employment and is not rehired by another TRSL employer the following day.

Year—one full calendar year, three hundred sixty-five (365) days, or three hundred sixty-six (366) days in a leap year.

B. These General provisions apply to applications submitted to participate in DROP unless otherwise indicated.

1. Applications for DROP may be mailed, faxed or sent electronically, but must be complete and signed.

2. A member shall not begin his DROP participation until TRSL has received a signed application for DROP on an authorized TRSL form. The member should complete, sign and submit all portions of the authorized TRSL DROP application form.

3. In the event an employer fails to submit the application in a timely fashion, the provisions of R.S. 11:761 shall apply.

§502. Service Requirements for School Food Service Plan A

A. Members of School Food Service Plan A of the Teachers' Retirement System of Louisiana (TRSL), in lieu of terminating employment and accepting a retirement allowance, may elect to participate in the deferred retirement option plan (DROP) in accordance with R.S. 11:786-791 when the following eligibility requirements for plan participation are met.

1. 30 years of service credit at any age;

2. 25 years of service credit and at least age 55; and

3. 10 years of service credit and at least age 60 (excluding military service).

§503. Management of DROP Accounts

A. Deposits to DROP accounts will be effective on the first day of each month of participation in the plan. Any DROP account deposit attributable to the first month of DROP participation shall be prorated to coincide with the first day of DROP participation. Any DROP account deposit attributable to the last month of DROP participation shall be prorated to coincide with the last day of DROP participation.

B. DROP account statements will be furnished on a quarterly basis as follows:

1. statements issued during DROP participation will reflect all account deposits for a quarterly period;

2. statements issued after completion of DROP participation and termination of employment will reflect all account withdrawals for a quarterly period; and

3. ~~interest earnings will begin accruing the day after termination of DROP participation and will be compounded daily;~~ statements issued after completion of DROP participation and prior to termination of employment will reflect total account deposits and interest earned for the quarterly period.

C. Interest earnings will begin accruing the day after termination of DROP participation and will be calculated on the daily principal balance and posted annually or monthly as listed below;

a. 1. members eligible to enter DROP prior to January 1, 2004, will have interest deposited to their DROP accounts once a year when the actuarially realized rate of return is approved by the Public Retirement System's Actuarial Committee. This

interest will be equal to the approved actuarially realized rate of return less an administrative fee. Interest deposits will reflect the interest earned on the account during the previous fiscal year and will be entered on quarterly statements issued after this approval is obtained. No interest will accrue on the DROP account after the date the account has been liquidated. No interest is paid on any interest only balance. *Liquidated* means all funds have been withdrawn from the DROP account except for the possible final interest earnings due but not yet posted;

b. 2. members eligible to enter DROP on or after January 1, 2004, will have their DROP funds transferred to a Liquid Asset Money Market Account after the termination of DROP participation. Interest will be deposited monthly based on the interest earned on the ~~Liquid Asset Money Market Account~~ liquid asset money market account less an administrative fee. Final payouts of DROP accounts will have interest posted through the date of the payment. Quarterly statements issued will reflect the interest earned and posted;

4. D. withdrawal payments from DROP accounts will be issued on the fifteenth day of each month.

§505. Duration of DROP Participation

A. Participation in DROP may not exceed a period of three consecutive years. ~~In order to participate for the maximum three consecutive years, the member must begin DROP participation within 60 calendar days after the first possible eligibility requirement for participation is met (refer to § 501.A). The participation period must end not more than three years and 60 calendar days from the date the member first became eligible to participate. The participation period may only be shortened by the participant's termination of employment or death.~~

~~1. In lieu of a participation period not to exceed the remainder of the three consecutive year period from date of first eligibility, a member who became eligible for DROP on or before January 1, 1994 may, at any time, select a participation period which may not exceed two consecutive years.~~

~~2. Notwithstanding any other provision of law to the contrary, any member who is participating in the three year Deferred Retirement Option Plan, as set forth in R.S. 11:786.B, may continue to participate in the plan for an additional period of time which equals the difference between the actual participation of that member in that plan and the three year maximum term of participation, provided the member satisfies all of the following:~~

~~a. On January 1, 1994, the member was not eligible for the full three year period because of years of service credit or age requirements, or both.~~

~~b. The member chose to participate in the three year plan for the maximum period available.~~

~~c. The member is participating in the three year plan on June 30, 1995.~~

~~d. The member furnishes written notice to the system prior to December 31, 1995 or the end of the participation period that the member initially selected, whichever date occurs first.~~

~~3. Any member of the Teachers' Retirement System of Louisiana who meets the criteria in § 505, including the required written notice, will be allowed to extend their period of DROP participation through December 31, 1996.~~

1. In order to participate for the maximum three consecutive years, the member must begin DROP participation within sixty (60) calendar days after the first possible eligibility requirement for participation is met.

2. The participation period must end not more than three years and sixty (60) calendar days from the date the member first became eligible to participate.

3. The participation period may only be shortened by the participant's termination of employment or death.

§507. Retirement Benefits

~~A. Retirement benefits shall begin on the first day of the month immediately following termination of DROP in all of the following cases:~~

~~1. voluntary termination—the participant, for any reason, elects to withdraw from DROP prior to completing the selected participation period and also terminates employment;~~

~~2. involuntary termination—the participant is terminated by the employer prior to completing the selected participation period and is not rehired by another TRSL employer on the following day; and~~

~~3. completion of selected DROP participation period and termination of employment, except when the DROP participation period is completed on any day other than the last day of any month. In such cases, the DROP account deposit shall be prorated to coincide with the date of completion of DROP participation and termination of employment. Retirement benefits shall begin the day after completion of the DROP participation period and termination of employment.~~

§509. Withdrawal of Funds from a DROP Account

A. Withdrawals from a DROP account may begin after the first regular retirement benefit has been issued. Withdrawals from a DROP account are not permitted prior to the termination of DROP participation or during employment which continues immediately following the DROP participation period and shall be limited to the following methods:

1. withdrawal of the total DROP account balance at the termination of DROP participation and employment;

2. monthly withdrawals in an amount to be determined by the life expectancy of the participant. This periodic payment shall not vary from month to month (refer to § 511.A);

3. monthly withdrawals based upon an amount to be withdrawn each month, as specified by the participant. This periodic payment shall not vary from month to month, and the amount of the withdrawal must be greater than the amount necessary to liquidate the total account balance within the participant's life expectancy (refer to § 511.A);

4. annual withdrawals in an amount to be determined by the life expectancy of the participant. This periodic payment shall not vary from year to year. The participant shall select the month in which the annual payment is to be made, and the first payment must be made within the 12-month period immediately following DROP participation and termination of employment (refer to § 511.A);

5. annual withdrawals based upon an amount to be withdrawn each year, as specified by the participant. This periodic payment shall not vary from year to year, and the amount of the withdrawal must be greater than the amount necessary to liquidate the

total account balance within the participant's life expectancy. The participant shall select the month in which the annual payment is to be made, and the first payment must be made within the 12-month period immediately following DROP participation and termination of employment (refer to § 511.A); and

6. a. one-time partial account balance withdrawal at the beginning of, or during the term of, monthly or annual withdrawals selected in accordance with § 509.A.2, 3, 4, or 5. If the one-time partial account balance withdrawal is made before any other withdrawals, the balance of the account will be paid as determined by the withdrawal method selected in accordance with § 509.A.2, 3, 4, or 5. If withdrawals have already begun, the duration of the remaining monthly and or annual withdrawals will be redetermined and the appropriate federal tax laws will be applied. If the one-time partial account balance withdrawal is to be made after the monthly or annual withdrawals have begun, the retiree must meet one of the following conditions:

i. ~~one participant~~ must have been at least age 55 ~~on the date of his~~ in the ~~year of participant's~~ retirement; or

ii. ~~one participant~~ must be at least 59 1/2 at the time he chooses the one-time single lump sum withdrawal;

b. changes to the monthly or annual withdrawals may only be made in accordance § 511.A;

c. if a member is ~~70-1/2~~ 72 or older when he chooses a partial single sum after withdrawals have begun, even though he retired at a younger age, he will have the required minimum distribution calculated using the "Single Life Table" (SLT), or he may choose the "Uniform Lifetime Table" (ULT), or the "Joint and Last Survivor Table" (JLST), whichever applies. The result of using one of these tables may allow a member to lower his monthly or annual withdrawal;

7. total DROP account balance withdrawal at any time after monthly or annual withdrawals have begun.

B. Selection of the withdrawal method and the amount of the periodic payment must be complete, correct, and on the form prescribed by TRSL. The correctly completed prescribed TRSL form should be received by TRSL 30 days prior to the disbursement, but no later than 8 business days prior to disbursement. Members under age 72 in the year of retirement must begin withdrawals within 12 months of the date of retirement. Members age 72 or older in the year of retirement must begin withdrawals by April 1 of the calendar year following the date of retirement or 12 months after retirement, whichever is earlier.

~~§510. Distributions Provided for by Gulf Opportunity Zone Act of 2005~~

~~A. If a participant was impacted by Hurricanes Katrina, Rita, or Wilma they may be able to withdraw funds from their DROP/ILSB account in addition to those normally allowed under § 509. In order to receive an additional distribution, the participant must have retired prior to the special withdrawal request.~~

~~B. 1. A qualified hurricane distribution must be made on or after:~~

~~a. August 25, 2005 and before January 1, 2007, to an individual whose principal place of residence on August 28, 2005 was located in the Hurricane Katrina disaster area, and who sustained economic loss due to Hurricane Katrina;~~

~~b. September 23, 2005 and before January 1, 2007, to an individual whose principal place of residence on September 23, 2005 was located in the Hurricane Rita~~

~~disaster area, and who sustained an economic loss due to Hurricane Rita (but is not a distribution described in Subparagraph B.1.a);~~

~~e. October 23, 2005 and before January 1, 2007, to an individual whose principal place of residence on October 23, 2005 was located in the Hurricane Wilma disaster area, and who sustained an economic loss due to Hurricane Wilma (but is not a distribution described in Subparagraphs B.1.a or b).~~

~~2. The aggregate amount of eligible distributions cannot exceed \$100,000 in any tax year. No distribution is allowable greater than the participant's account balance. A qualified distribution is not subject to any penalty that would normally be imposed because of the participant's age, and the distribution is not subject to any mandatory federal income tax withholding.~~

~~C. Participants eligible to receive funds under this provision must complete a notarized Hurricane Affidavit attesting to their eligibility.~~

~~D. If the participant is married, consent of the participant's spouse is required to receive a Hurricane Katrina, Hurricane Rita, or Hurricane Wilma distribution.~~

§511. Change of DROP Withdrawal Method

A. The participant will have one opportunity per 12-month period to change the chosen withdrawal method and/or amount if the original method selected was either § 509.A.2, 3, 4, or 5. Any change must be made in accordance with the life expectancy of the participant.

1. For participants under age $70\frac{1}{2}$ 72, any change in the withdrawal method must be made in accordance with the life expectancy of the participant at the time of his retirement, and at no time may the disbursement from the account be less than the amount of the originally selected periodic payment.

2. For participants over age $70\frac{1}{2}$ 72 at the time of the change, the change in the withdrawal method may allow the participant to reduce the disbursement only if the participant was not age $70\frac{1}{2}$ 72 at the time he began withdrawals. Otherwise the rule under § 511.A.1 will apply.

B. ~~When the life expectancy of the participant governs the selected periodic withdrawal method, disbursements from the DROP account shall be made in accordance with the "Single Life Table" (SLT) for participants first eligible to begin withdrawing on or after January 1, 2003. Exception: if a retiree is $70\frac{1}{2}$ or older, he must meet a required minimum distribution (RMD) and may request the use of the "Single Life Table" (SLT), "Uniform Lifetime Table" (ULT) or the "Joint and Last Survivor Table" (JLST), whichever applies. Once the election has been made he cannot elect to make a change at a later date. Except as provided below, when the life expectancy of the participant governs the selected periodic withdrawal method, disbursements from the DROP account shall be made in accordance with the "Single Life Table" (SLT) for participants first eligible to begin withdrawing.~~

1. If a retiree is 72 or older, he must meet a required minimum distribution (RMD) and may request the use of the "Single Life Table" (SLT), "Uniform Lifetime Table" (ULT) or the "Joint and Last Survivor Table" (JLST), whichever applies. Once the election has been made he cannot elect to make a change at a later date.

~~C. The selection of a withdrawal method and the amount of the periodic payment must should be designated by the participant 30 days prior to completion of DROP participation and termination of employment disbursement, but no later than eight (8) business days prior to~~

~~disbursement, on the form prescribed by the TRSL. Should a participant fail to choose a withdrawal method, or to notify TRSL that employment will continue, TRSL will consider the participant still employed. No benefit will be payable to the participant until official notification of termination of employment, on the prescribed form, is received in the office of TRSL.~~

§513. Termination of DROP Participation

A. When termination of the DROP participation period occurs because of the death of the participant, or if the death of the participant occurs in the absence of an executed Affidavit of Plan Election, the provisions of R.S. 11:783 and R.S. 11:762 shall apply.

B. In the event of the death of the DROP participant/retiree, a spousal beneficiary shall select a withdrawal method from the options listed in §509.A, and may make changes in accordance with §511. If the disbursements from the account began prior to the participant's death, the spousal beneficiary may make changes in accordance with §511.

C. In the event of the death of the participant during DROP participation, or after the end of the period of participation, but before total distribution of the DROP account balance, a beneficiary(ies) other than the participant's surviving spouse shall immediately receive a lump sum equal to the participant's balance in the DROP account.

§517. Affidavit of Plan Election

A. If a member fails to return a completely executed and notarized Affidavit of Plan Election to choose a retirement benefit option by ~~90~~ one hundred-twenty (120) calendar days after his/her ~~the member's~~ receipt of the unsigned affidavit or by ~~90~~ one hundred-twenty (120) calendar days after the beginning of his/her ~~the member's~~ DROP participation, whichever is later, ~~he/she the member~~ will be deemed not to have elected to participate in DROP. Employee and employer contributions and appropriate interest or actuarial cost must then be remitted to TRSL for the prior period of TRSL employment in order to receive service credit for that period.

~~B. For purposes of § 517.A, the signed affidavit must be postmarked no later than 90 calendar days after receipt by member of the unsigned affidavit or by 90 days after the beginning of his/her DROP participation, whichever is later.~~

§519. Application for DROP

~~A. A member shall not begin his DROP participation until TRSL has received a fully completed, signed, and witnessed application for DROP, Form 11F. TRSL must receive both sides of the Form 11F.~~

§521. Teaching Experience

~~A. Retirees who return to work under the provisions of R.S. 11:739 shall be governed by the following definition of *teaching experience*. Any work experience which would have qualified the member for TRSL membership under the provisions of R.S. 11:701(23) if the experience had been gained in the Louisiana public education system will be considered teaching experience. Teaching experience will include qualifying work (including work during DROP) in any recognized education setting, whether public or private, including both in-state and out-of-state locations. If the experience is not documented in the member's file, the member will be responsible for providing documentation from his/her previous employer in a timely manner.~~

~~Teaching experience will not include unused leave, furlough, strike time, or unpurchased leave without pay.~~

~~Chapter 9. — Computation of Final Average Compensation~~

~~§901. Time Frames for Computation~~

~~——— A. Members of the Teachers' Retirement System of Louisiana (TRS-L) retiring on or after July 1, 1995 will have their average compensation (highest 36 consecutive or joined months of earnable salary) computed as follows:~~

~~1. Full 12-month periods beginning before July 1, 1995 will be calculated using the law in effect on the day the 12-month period begins.~~

~~2. Full 12-month periods beginning on or after July 1, 1995 will be calculated using the law in effect on July 1, 1995.~~

~~B. A full 12-month period of the highest 36 consecutive or joined months of earnable salary is defined to be *months 1 through 12, or months 13 through 24, or months 25 through 36.*~~