

# THE PROSECUTION RESTS

NEWS AND INFORMATION ABOUT DARS

January 2021 – Vol. 11

## WELCOME NEW & RETURNING MEMBERS

Please accept a warm DARS welcome to all newly elected and appointed prosecutors! One of the benefits available to the Louisiana prosecutor is membership in DARS, which is an IRS qualified 401(a) defined benefit pension. Membership is mandatory for all DAs and ADAs making at least \$18,000 per year. Please note that only salary is considered reportable wages for DARS' purposes. Fees and other fringe benefits are excluded.

Your individual offices will assist you in enrolling; however, we are happy to answer any questions you may have. You will also find valuable information on our website, [WWW.LADARS.ORG](http://WWW.LADARS.ORG).

## NEW RETIREE TAX LETTERS

New retirees will receive a letter shortly after official retirement detailing the amount of sheltered and unsheltered employee contributions paid during their DARS service. All employee contributions made prior to July 1, 2015, were unsheltered, meaning they were paid after taxes. KEEP THIS LETTER. The information it

provides is needed to determine your future tax liability, including any tax credits. See IRS Topic No. 410 Pensions and Annuities for more details. DARS does not give tax advice; we highly recommend you consult with a tax expert on this issue.

## POST-RETIREMENT EMPLOYMENT

We continue to receive questions about post-retirement employment (often referred to as re-hire) of DARS retirees. "Re-hire" without suspension of benefit is ONLY available to individuals that retired with **at least 24 years of creditable service**, provided that the new annual salary is less than the ADA warrant amount. **Members who retire with less than 24 years of creditable service are NOT ELIGIBLE for re-hire without suspension of benefit.** We actively encourage all members to call the DARS office with questions prior to returning to work.

## SEPARATION FROM SERVICE WITHOUT RETIREMENT

A separated member has several options upon leaving the system prior to retirement.

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Option 1: The former member can request a refund of employee contributions. A Refund of Contributions Form must be submitted to DARS. No refund shall be processed until 60 days after termination.

Option 2: It is possible to "roll-over" sheltered funds directly into another IRS approved retirement account.

More information can be found at [www.irs.gov/retirement-plans](http://www.irs.gov/retirement-plans).

**Option 3:** Do nothing. A former member has the option to leave all contributions on deposit with DARS in order to preserve service credit. If vested (10 years), the member should contact DARS 60 days prior to attaining the appropriate age to retire. Please note that interest will not be earned if a member is inactive.

**Option 4:** If moving to a position that permits membership in another La. public retirement system, your service credit and all contributions may be transferred, or the member may enter into to a reciprocal recognition of service agreement. There may be actuarial costs associated with a transfer, but not a reciprocal agreement.

**Option 5:** If a former member has attained the years of service and age necessary to retire, that is an option as well.

### 1099s COMING SOON

Each year DARS Headquarters mails 1099-R forms no later than January 31. These forms are issued for refunded service credit, monthly pension benefits, “rollovers” out of the system, and DROP/BackDROP withdrawals. If any of these situations apply, and you do not receive a 1099-R form by mid-February, please contact the DARS Office.

### Q&A

**Q: I was just hired as an ADA. How do I join DARS?**

**A:** The human resources or payroll department for your office, or in some

instances with the policy jury, will provide you with a DARS Personal History Form. This form, along with a copy of your oath of office and driver’s license should be sent to DARS by the employer prior to your first paycheck.

**Q: I read on the DARS website that employees pay an 8% contribution payment each month. Does that include my benefits? Do I mail a check to DARS or is it deducted automatically?**

**A:** Members of DARS are statutorily required to pay an employee contribution of 8% on all gross wages. This does not include car allowances, fringe benefits, etc., ONLY salary. The entity issuing payment (DA, state, policy jury, etc.) will automatically withhold the 8% and send it to DARS monthly. Employee contributions are posted to an individual “account” for each member and earns 2% interest per fiscal year.

**Q: Several years ago, I worked as an ADA but withdrew my contributions when I changed jobs. Can I repay my refund?**

**A:** Yes, it is possible to repay a refund, with interest, in order to restore service credit. You will find the Repayment Request Form on our website in the forms section.

**Q: I have past service in another Louisiana retirement system. Can I transfer that service to DARS?**

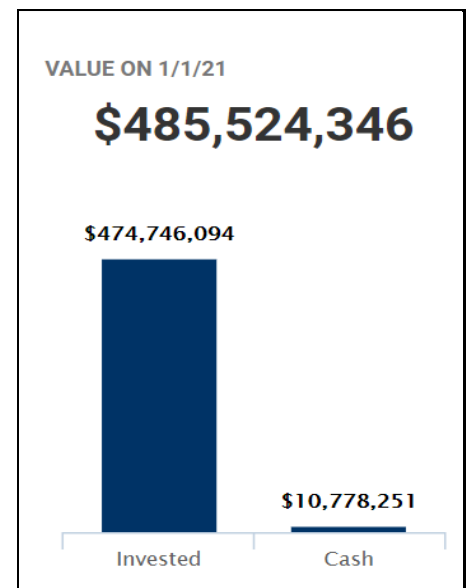
**A:** Yes. It is possible to transfer the service credit after you have been in DARS for 6 months; however, there may be an actuarial cost. Call DARS

for more information about your options.

**Q: Will I receive a “stub” with my monthly benefit?**

**A:** No. Our pension software system does not generate any type of check stub or statement of account with your payment. If written documentation is needed, please contact DARS.

### INVESTMENT PORTFOLIO SNAPSHOT



### NEXT DARS BOARD MEETING DATE

The next Board meeting is Thursday, January 28, 2021, 9:30 a.m., at DARS Headquarters.

If you have a topic you would like to see discussed in a future newsletter, please email DARS at [KRISTI@LADARS.ORG](mailto:KRISTI@LADARS.ORG).