
DIGEST

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HB 683 Reengrossed

2017 Regular Session

Jones

Abstract: Allows a retired member of the Municipal Employees Retirement System of La. (MERS) to return to work full-time with benefit suspension and to receive a supplemental benefit under certain circumstances.

Present law provides that when a retired member of MERS receiving normal retirement benefits becomes reemployed by a covered employer, his monthly retirement benefit and monthly earnings (collective monthly benefit) shall not exceed his monthly average compensation prior to retirement. If they do, present law requires that his retirement benefit be reduced as necessary to make his collective monthly benefit equal his monthly average final compensation adjusted to reflect the annual percentage increase or decrease in the Consumer Price Index for the preceding year. Present law further provides that reemployed retirees shall not become members of the system.

For retired members first reemployed on or after July 1, 2016, present law requires that during reemployment, the retiree and his employer shall make required contributions to the retirement system, but the retiree shall receive no additional service credit and shall not accrue any additional benefit in the system. Upon termination, the employee contributions paid during reemployment shall, upon application, be refunded to the retiree without interest. MERS retains the employer contribution and interest on contributions. Proposed law makes present law applicable only to retirees who return to work for less than an average of 35 hours per week.

Proposed law further provides that if a retiree returns to work on or after July 1, 2017, for at least 35 hours per week (full-time), his retirement benefit shall be suspended, and he shall become a member of the system. Upon termination of service, the system shall resume payment of the reemployed retiree's original benefit.

Proposed law provides that if a full-time reemployed retiree works for a period of at least 12 months, he shall accrue a supplemental benefit calculated using his period of service and salary during reemployment. If the reemployed retiree works less than 12 months, he shall not receive a supplemental benefit and his employee contributions shall be returned without interest upon termination of service.

Proposed law limits the supplemental benefit so that when combined with the original benefit it shall not exceed the final compensation figure used to compute the supplemental benefit.

Effective June 30, 2017.

(Amends R.S. 11:1762(A) and (B); Adds R.S. 11:1762.1)

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Retain present law and limit it to retired members who return to work part-time.
2. Limit proposed law to retired members who return to work full-time.
3. Change the supplemental benefit provisions for retirees who return to work full-time as follows:
 - a. Provide that a retired member who returns to work for less than 12 months shall not receive a supplemental benefit upon termination of service and will have his employee contributions returned without interest.
 - b. Allow a retired member who returns to work before July 1, 2017, to elect to receive benefits under proposed law rather than remain under present law.