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**HB 21 Engrossed**

**2022 Regular Session**

**Bacala**

**Abstract:** Establishes a funding deposit account for the Municipal Police Employees' Retirement System (MPERS) for the purpose of granting and funding cost-of-living adjustments (COLA).

**Proposed law** establishes a funding deposit account for MPERS.

**Proposed law** authorizes the board of trustees to require an employer contribution rate up to the following limits:

1. When the contribution rate is equal or greater than the previous year's rate, the board can set the rate .85% greater than the fiscal year's rate.

2. In a fiscal year when the contribution rate is lower than the previous year, the board can set the rate at the otherwise required rate plus .85% plus half the difference between the rates for the two years.

**Proposed law** requires that excess contributions be applied to reduce the outstanding balance of the oldest amortization base or to COLAs.

**Proposed law** authorizes the board to dedicate a specific amount of the excess contributions, .85% greater than the contribution rate, to fund COLAs.

**Proposed law** provides funds that a COLA shall be paid only with funds from the funding deposit account and only when funds are sufficient.

**Proposed law** provides that the board of trustees shall determine the following when granting a COLA:

1. Whether the COLA is permanent or nonrecurring.

2. Whether the COLA is based on the retiree or survivor's current or original benefit.

3. Whether a minimum age is required.

4. Whether a retiree or survivor meets minimum period since benefit commencement.
Proposed law provides that COLA payments may not exceed 3% of benefit or be payable to the retiree or survivor until one year since benefit commencement.

Proposed law requires that an adjustment to benefits due to a COLA be made by formal action by the board of trustees.

(Adds R.S. 11:2225.5; Repeals R.S. 11:2225(A)(7))
Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Retirement to the original bill:

1. Repeal conflicting provisions of present law regarding use of investment earnings to pay for COLAs.