

2016 Regular Session

HOUSE BILL NO. 57

BY REPRESENTATIVE LEGER

RETIREMENT/LOCAL: Provides relative to the assessment and remittal of employee contributions to the Firefighters' Pension and Relief Fund in the city of New Orleans

1 AN ACT

2 To amend and reenact R.S. 11:3363(B), relative to employee contributions in the Fire
3 Fighters' Pension and Relief Fund in the city of New Orleans; to provide with respect
4 to the regularity and amount of such contributions; to provide with respect to consent
5 to such deductions; to provide relative to the establishment of an "employer pick-up"
6 plan within the system in accordance with Internal Revenue Code provisions; to
7 provide relative to the transfer of such contributions to the system; to provide relative
8 to the powers and duties of the board with respect to such contributions; to provide
9 relative to member rights relative to such contributions; and to provide for related
10 matters.

11 Notice of intention to introduce this Act has been published
12 as provided by Article III, Section 13 and Article X, Section
13 29(C) of the Constitution of Louisiana.

14 Be it enacted by the Legislature of Louisiana:

15 Section 1. R.S. 11:3363(B) is hereby amended and reenacted to read as follows:
16 §3363. Powers of board; assessment of members; determination of applications for
17 benefits

18 * * *

19 B.(1) The board shall assess each member of the fire department not less
20 than ten percent of his ~~salary~~ compensation allowed as salary, to be deducted

1 ~~monthly~~ each pay period, the same to be placed by the secretary-treasurer to the
2 credit of the fund subject to the orders of the board.

3 (2) The city of New Orleans shall automatically deduct such contributions
4 from the member's compensation allowed as salary each pay period. Such deduction
5 shall not be optional. Payment of any amount, allowance, withdrawal, or other
6 benefit pursuant to the provisions of this Part shall constitute a discharge and release
7 of any claim or demand related to such deduction.

8 (3) At least once per month, the city of New Orleans shall remit all member
9 contributions directly to the system.

10 (4) Member contributions required by this Subsection are intended to be
11 "pick-up contributions" and shall be made and administered in the manner prescribed
12 under Section 414(h) of the Internal Revenue Code.

13 (5) Member contributions required by this Subsection shall be deemed part
14 of the member's compensation allowed as salary for purposes of determining benefits
15 and whether such compensation allowed as salary is less than the minimum amount
16 required by law. Payment to a member of his compensation allowed as salary shall
17 be deemed to discharge and acquit the fire department and the city with respect to
18 services rendered by such member during such period, except as to any prospective
19 claim for benefits or payments pursuant to the provisions of this Part.

20 (6) The board of trustees shall adopt procedures and guidelines as it deems
21 necessary and appropriate for the collection, remittal, and reporting of member
22 contributions.

23 * * *

24 Section 2. This Act shall become effective upon signature by the governor or, if not
25 signed by the governor, upon expiration of the time for bills to become law without signature
26 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
27 vetoed by the governor and subsequently approved by the legislature, this Act shall become
28 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 57 Engrossed

2016 Regular Session

Leger

Abstract: Provides relative to the payment of employee contributions in the Fire Fighters' Pension and Relief Fund in the city of New Orleans (NOFF).

Present law establishes NOFF and provides for the assessment of contributions from employees in order to partially fund the benefits provided by the fund. Proposed law retains present law.

Present law requires an employee contribution of at least 10% of the employee's salary. Proposed law provides instead that the contribution is based on the employee's compensation allowed as salary. Prohibits claims against the city, the fire department, or the fund for such deductions once the member receives a distribution of any kind from the fund.

Present law requires the employee contribution assessments to be made on a monthly basis. Proposed law requires such assessments to be made each pay period.

Proposed law further establishes an "employer pick-up" plan within NOFF pursuant to Internal Revenue Code provisions. Such plan authorizes an employer to deduct employee contributions from the member's pay and remit them directly to the system. Further provides that the sums deducted by the employer for employee contribution purposes are to be counted as part of the employee's compensation allowed as salary for the purposes of determining benefits and present law minimum compensation requirements.

Proposed law requires the city of New Orleans to remit collected employee contributions to the system at least once per month.

Proposed law requires the board of trustees of the fund to adopt procedures for the collection, remittal, and reporting of contributions pursuant to present and proposed law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 11:3363(B))

Summary of Amendments Adopted by House

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

1. Provide that deductions and contributions are based on the member's compensation allowed as salary rather than on all compensation.
2. Change reference from the fire department to the city of New Orleans, as the employer which is responsible for collecting employee contributions.