

2016 Regular Session

HOUSE BILL NO. 56

BY REPRESENTATIVE LEGER

RETIREMENT/LOCAL: Provides relative to retirement eligibility and benefits for new hires in the Firefighters' Pension and Relief Fund in the city of New Orleans

1 AN ACT

2 To amend and reenact R.S. 11:3384(A)(2), (B)(2), and (D)(2) and 3386(B) and to enact R.S.
3 11:3384(A)(3), (B)(3), and (D)(3), relative to new members of the Firefighters'
4 Pension and Relief Fund in the city of New Orleans; to provide relative to retirement
5 eligibility and benefits for such members; to provide relative to benefits for
6 beneficiaries and survivors of certain such members; and to provide for related
7 matters.

8 Notice of intention to introduce this Act has been published
9 as provided by Article III, Section 13 and Article X, Section
10 29(C) of the Constitution of Louisiana.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 11:3384(A)(2), (B)(2), and (D)(2) and 3386(B) are hereby amended
13 and reenacted and R.S. 11:3384(A)(3), (B)(3), and (D)(3) are hereby enacted to read as
14 follows:

15 §3384. Firefighters employed after December 31, 1967; computation of benefits

16 A.

17 * * *

18 (2) Any firefighter who enters the employ of the fire department on or after
19 January 1, 2015, and before August 15, 2016, who has reached the age of fifty-two
20 years, who has not less than twelve years of service in the fire department, and who

1 is a contributing member of this system may retire upon his written application to the
2 board setting forth at what time he desires to be retired, if at the time so specified for
3 his retirement he meets the requirements as provided in this Section.

4 (3) Any firefighter who enters the employ of the fire department on or after
5 August 15, 2016, who has reached retirement age as defined in 42 U.S.C. 416(l)(1),
6 hereinafter in this Part referred to as full retirement age, less ten years, who has not
7 less than twelve years of service in the fire department, and who is a contributing
8 member of this system may retire upon his written application to the board setting
9 forth at what time he desires to be retired, if at the time so specified for his
10 retirement he meets the requirements provided in this Section.

11 B.

12 * * *

13 (2) A firefighter who enters the employ of the fire department on or after
14 January 1, 2015, and before August 15, 2016, shall receive a retirement benefit equal
15 to two and ~~three-quarters~~ three-quarters percent of his average compensation, based
16 on the five highest consecutive years of employment, multiplied by the number of
17 years of creditable service. The service benefits of such firefighters shall not exceed
18 one hundred percent of the average compensation earned during any five highest
19 average consecutive years of service preceding retirement.

20 (3) A firefighter who enters the employ of the fire department on or after
21 August 15, 2016, shall receive a retirement benefit equal to two and one-half percent
22 of his average compensation, based on the five highest consecutive years of
23 employment, multiplied by the number of years of creditable service. The service
24 benefits of such firefighters shall not exceed one hundred percent of the average
25 compensation earned during any five highest average consecutive years of service
26 preceding retirement.

27 * * *

28 D.

29 * * *

1 compensation during the best year of service preceding the date of withdrawal from
 2 service for each year of credited service. If the member dies after withdrawal from
 3 service but prior to attaining age fifty-two but having twelve years credited service,
 4 his widow, child or children, or estate, as applicable, shall be entitled to receive his
 5 accumulated contributions in a lump sum with interest credited thereto.

6 (2) If the member receiving benefits under this Subsection or R.S.
 7 11:3384(D)(3)(a) dies, his surviving widow shall receive the minimum benefit as set
 8 forth in R.S. 11:3383. If the member receiving benefits under this Subsection or R.S.
 9 11:3384(D)(3)(a) dies leaving a widow and children under the age of eighteen, then
 10 the widow and children under eighteen years of age shall receive the minimum
 11 benefit as set forth in R.S. 11:3383 equally divided between them. When the
 12 children of the member attain the age of eighteen or become married while receiving
 13 benefits under this Subsection, the benefits they are receiving shall be paid to the
 14 widow of the member.

15 Section 2. This Act shall become effective on August 15, 2016.

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 56 Reengrossed

2016 Regular Session

Leger

Abstract: Increases the age of retirement eligibility and reduces the accrual rate for new members, those hired on or after Aug. 15, 2016, of the Firefighters' Pension and Relief Fund in the city of New Orleans (NOFF).

Present law provides that a member of NOFF is eligible to retire if he has 12 years of creditable service and has attained a specified age. For persons hired on or after Jan. 1, 1968, but prior to Jan. 1, 2015, the specified age of retirement eligibility is 50 and for persons hired on or after Jan. 1, 2015, the specified age is 52. Proposed law retains present law for those hired prior to Aug. 15, 2016, but for those hired on or after that date, provides that the specified age of retirement eligibility is the retirement age defined by the Social Security Act, less 10 years.

Present law authorizes a member who has at least 12 years of creditable service, but who has not yet attained the specified age of retirement eligibility, to leave employment and begin receiving his benefit check upon attaining his specified retirement age. Provides for distribution of his benefit to his widow, children, or estate if he dies before reaching the age of retirement eligibility and to his widow and minor children if he dies after he starts receiving a benefit. Proposed law retains present law except to change the age of retirement eligibility for new employees in conformity with proposed law discussed above.

Present law provides that for a member of NOFF hired on or after Jan. 1, 2015, his retirement benefit shall be calculated as follows: 2.75% x (5-year Final Average Compensation (FAC)) x years of service.

Proposed law retains present law for those hired prior to Aug. 15, 2016, but for those hired on or after that date, the benefit shall be calculated as follows: 2.5% x (5-year FAC) x years of service.

Effective August 15, 2016.

(Amends R.S. 11:3384(A)(2), (B)(2), and (D)(2) and 3386(B); Adds R.S. 11:3384(A)(3), (B)(3), and (D)(3))

Summary of Amendments Adopted by House

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

1. Add an effective date.

The House Floor Amendments to the engrossed bill:

1. Make proposed law applicable to firefighters who enter employ of the fire department on or after Aug. 15, 2016, rather than on or after Jan. 1, 2017.
2. Change the proposed retirement age from 57 to the Social Security retirement age, less 10 years.