
DIGEST

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HB 683 Original

2017 Regular Session

Jones

Abstract: Allows retired members of the Municipal Employees Retirement System of La. (MERS) to return to work with benefit suspension and to receive a supplemental benefit.

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 repeals present law and provides that if a retiree returns to work, his retirement benefit shall be suspended, and the retired member shall become a member of the system and accrue a supplemental benefit. Upon subsequent retirement, the retired member shall again receive his original retirement benefit plus a supplemental benefit based on his salary and service earned during reemployment. Proposed law provides that no change shall be permitted to the original retirement option selected by the member, but the member may select an option authorized by present law for any supplemental benefit.

Proposed law limits the supplemental benefit so that it shall not exceed the amount which, when combined with the original benefit, equals 100% of the average final compensation figure used to compute the additional benefit.

Effective June 30, 2017.

(Amends R.S. 11:1762(A); Repeals R.S. 11:1762(B) and (D))