

2017 Regular Session

HOUSE BILL NO. 683 (Substitute for House Bill No. 36 by Representative Jones)

BY REPRESENTATIVE JONES

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT/MUNICIPAL EMP: Provides relative to the reemployment of retirees of the Municipal Employees' Retirement System of La.

1 AN ACT

2 To amend and reenact R.S. 11:1762(A) and to repeal R.S. 11:1762(B) and (D), relative to
3 the reemployment of retirees of the Municipal Employees' Retirement System of
4 Louisiana; to provide for retirees who return to work; to provide for benefit
5 suspension; to provide for a supplemental benefit; to provide for membership in the
6 system; and to provide for related matters.

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

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 11:1762(A) is hereby amended and reenacted to read as follows:

12 §1762. Reemployment of retirees

13 A.(1) ~~Whenever a retiree receiving normal retirement benefits becomes~~
14 ~~reemployed by an employer such that his monthly earnings are equal to or less than~~
15 ~~the difference between his monthly average final compensation and his monthly~~
16 ~~retirement benefit, his retirement benefits shall continue and he shall not be a~~
17 ~~member of the system.~~ If a retiree of this system becomes reemployed by an
18 employer, the retired member's retirement benefit shall be suspended and the retired
19 member shall be a member of the system. Upon his subsequent retirement, the retiree
20 shall receive his original benefit plus a supplemental benefit based on his salary and

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))