2018 Regular Session

HOUSE BILL NO. 26

## BY REPRESENTATIVE PEARSON

## RETIREMENT/MUNICIPAL EMP: Provides for participation by certain entities in the Municipal Employees' Retirement System of Louisiana

1	AN ACT
2	To amend and reenact R.S. 11:1733(A)(introductory paragraph) and 1751(E) and to enact
3	R.S. 11:1732(14)(a)(xi), (xii), and (xiii), relative to participation in the Municipal
4	Employees' Retirement System of Louisiana; to include additional employers in the
5	system; to provide for membership of certain mayors; and to provide for related
6	matters.
7	Notice of intention to introduce this Act has been published
8	as provided by Article III, Section 13 and Article X, Section
9	29(C) of the Constitution of Louisiana.
10	Be it enacted by the Legislature of Louisiana:
11	Section 1. R.S. 11:1733(A)(introductory paragraph) and 1751(E) are hereby
12	amended and reenacted and R.S. 11:1732(14)(a)(xi), (xii), and (xiii) are hereby enacted to
13	read as follows:
14	§1732. Definitions
15	The following words and phrases, as used in this Chapter, unless a different
16	meaning is plainly required by the context, shall have the following meanings:
17	* * *
18	(14)(a) "Employer" or "participating employer" shall mean:
19	* * *

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	(xi) Any tax board or commission of a municipality or parish in the state of	
2	Louisiana that has entered into an agreement with the board pursuant to R.S.	
3	<u>11:1733.</u>	
4	(xii) The Firefighters' Pension and Relief Fund in the city of New Orleans.	
5	(xiii) The Louisiana Uniform Local Sales Tax Board.	
6	* * *	
7	§1733. Agreement for coverage of employees of incorporated cities, towns, and	
8	villages and tax boards or commissions	
9	A. Each incorporated city, town, or village or tax board or commission of a	
10	municipality or parish is hereby authorized to submit for board approval an	
11	agreement for extending the benefits of this Chapter to its employees. Each such	
12	agreement or amendment thereof shall be approved by the board if it is in conformity	
13	with the rules of the board, the requirements of this Chapter, and applicable state	
14	laws. Each agreement shall:	
15	* * *	
16	§1751. Membership	
17	* * *	
18	E.(1) Persons who have retired from any Louisiana state public retirement	
19	system, plan, or fund who are over the age of sixty-five shall not be required to	
20	participate in the system.	
21	(2)(a) The provisions of this Paragraph shall apply only to mayors who are	
22	in office on the effective date of this Paragraph.	
23	(b) Any mayor who, at the time of his taking office in a position which	
24	would otherwise mandate his membership in the system, is receiving a retirement	
25	benefit from any source whatsoever other than this system and who is over the age	
26	of sixty-five shall not be required to participate in the system. The election not to	
27	participate shall be made and communicated to the system within thirty days after	
28	June 15, 2004. No employee contributions shall be made by a mayor who elects not	

to participate pursuant to this Paragraph, nor shall his employer make employer
 contributions to the system.

3 (c) Any mayor who is a member of the system on June 15, 2004, who has
been paying employee contributions and who meets the criteria for electing not to
participate in the system contained in this Paragraph may choose to terminate
membership in the system and may apply for a refund of his employee contributions
immediately as otherwise provided for in this Chapter.

8 (d) Any mayor who withdraws his contributions or who chooses not to 9 become a member of the system under the provisions of this Paragraph who later 10 wishes to receive credit for such service in this or any other system in this Title shall 11 pay to such system an amount sufficient to offset any additional liability to the 12 system, calculated on an actuarial basis in accordance with R.S. 11:158(C).

(e) Notwithstanding any provision of this Paragraph, anyone, regardless of
 age who is receiving a retirement benefit from this system who again becomes
 employed in a position which would otherwise make him a mandatory participant,
 shall be subject to the provisions in this Chapter relating to the reemployment of
 retirees.

18 \* \*

Section 2. With respect to the Sabine Parish Sales and Use Tax Commission, the
provisions of this Act shall be given prospective application and retroactive application to
January 1, 2018.

Section 3. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

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### 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 26 Engrossed	2018 Regular Session	Pearson
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Abstract: Adds certain employers to the Municipal Employees' Retirement System of La. (MERS) and removes provisions relative to mayors in office on June 15, 2004.

Participating employers in MERS are enumerated in <u>present law</u>, either by name or by class of employers; employers in an authorized class must enter into an agreement with the board including terms set out by <u>present law</u>.

<u>Proposed law</u> adds the Firefighters' Pension and Relief Fund in the city of New Orleans and the La. Uniform Sales Tax Bd. as participating employers in MERS. <u>Proposed law</u> adds any local tax board or commission that has entered into an agreement with MERS pursuant to <u>present law</u> as a participating employer in MERS.

Relative to the Sabine Parish Sales and Use Tax Commission, <u>proposed law</u> is retroactive to Jan. 1, 2018.

For mayors in office on June 15, 2004, who are over the age of 65 and receiving a retirement benefit from any source other than MERS, <u>present law</u> provides that such members may elect not to participate in MERS. Any such member that was already a member of MERS on June 15, 2004, may terminate his membership and apply for an immediate refund of his employee contributions. Provides that a member who elects not to participate or terminate participation in MERS may later receive credit for service years by paying an amount sufficient to offset any additional liability to the system. Provides that notwithstanding <u>present law</u>, any person receiving a retirement benefit from MERS who is again employed in a position that would otherwise make him a mandatory participant shall be subject to <u>present law</u> relative to reemployment of system retirees. <u>Proposed law</u> repeals <u>present law</u>.

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

(Amends R.S. 11:1733(A)(intro. para.) and 1751(E); Adds R.S. 11:1732(14)(a)(xi), (xii), and (xiii))

Summary of Amendments Adopted by House

- The Committee Amendments Proposed by <u>House Committee on Retirement</u> to the <u>original</u> bill:
- 1. Change retroactive application <u>from</u> the Morehouse Sales and Use Tax Commission to the Sabine Parish Sales and Use Tax Commission.