

2018 Regular Session

HOUSE BILL NO. 32

BY REPRESENTATIVE PEARSON

1 AN ACT

2 To amend and reenact R.S. 11:1763(C)(1) and (E), relative to the Deferred Retirement
3 Option Plan of the Municipal Employees' Retirement System of Louisiana; to
4 provide for suspension of benefit payments and extension of the plan participation
5 period under certain circumstances; and to provide for related matters.

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

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:1763(C)(1) and (E) are hereby amended and reenacted to read as
11 follows:

12 §1763. Deferred Retirement Option Plan

13 * * *

14 C.(1) The duration of participation in the plan shall be specified and shall not
15 exceed three years, except as provided in Paragraph (E)(2) of this Section.

16 * * *

17 E.(1) Upon the effective date of the commencement of participation in the
18 plan, active membership and participation in the regular retirement plan of the
19 system shall terminate and active membership and participation in the Deferred
20 Retirement Option Plan of the system shall commence. Employer contributions shall
21 continue to be payable by the employer during the person's membership and
22 participation in the plan, but payment of employee contributions shall cease upon the

1 effective date of the person's commencement of participation in the plan. For
 2 purposes of this Section, compensation and creditable service shall remain as they
 3 existed on the effective date of commencement of participation in the plan. The
 4 monthly retirement benefits that would have been payable, had the person elected to
 5 cease employment and receive a service retirement allowance, shall be paid into a
 6 subaccount within the Deferred Retirement Option Plan, which reflects the credits
 7 attributed to the person in the plan, but the monies shall remain a part of the regular
 8 retirement fund until disbursed to the person in accordance with plan provisions, and
 9 the monies shall not be subject to state income taxation while maintained in the fund
 10 or upon distribution therefrom.

11 (2) If employer contributions on behalf of a participant are suspended during
 12 the participation period as a result of interruption of employment, benefit payments
 13 into the participant's subaccount within the Deferred Retirement Option Plan shall
 14 be suspended until payment of employer contributions is restored, and the member's
 15 participation period shall be extended by the number of months his benefit payments
 16 were suspended. In such a case, the participation period may exceed three calendar
 17 years but shall not exceed thirty-six nonconsecutive months of participation.

18 * * *

19 Section 2. This Act shall become effective on July 1, 2018; if vetoed by the governor
 20 and subsequently approved by the legislature, this Act shall become effective on July 1,
 21 2018, or on the day following such approval by the legislature, whichever is later.

 SPEAKER OF THE HOUSE OF REPRESENTATIVES

 PRESIDENT OF THE SENATE

 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____