

2020 Regular Session

HOUSE BILL NO. 19

BY REPRESENTATIVE BACALA

RETIREMENT/MUNICIPAL POL: Establishes a funding deposit account for the Municipal Police Employees' Retirement System and authorizes the board of trustees of the system to modify required employer contribution rates

1 AN ACT

2 To enact R.S. 11:105(A)(8), 106(A)(5), 107(A)(7), 107.1(A)(7) and (D)(5), and 246(C) and
3 to repeal R.S. 11:107.2 and 2225(A)(7), relative to the Municipal Police Employees'
4 Retirement System; to provide relative to the authority of the board of trustees of the
5 system to modify employer contribution rates in certain circumstances; to establish
6 a funding deposit account within the system; to provide relative to cost-of-living
7 adjustments; and to provide for related matters.

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

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 11:105(A)(8), 106(A)(5), 107(A)(7), 107.1(A)(7) and (D)(5), and
13 246(C) are hereby enacted to read as follows:

14 §105. Employer contributions; maintaining rates

15 A. The provisions of this Section shall apply to the following statewide
16 public retirement systems or funds, hereinafter referred to in this Section as
17 "systems":

18 * * *

1 (8) The Municipal Police Employees' Retirement System.

2 * * *

3 §106. Additional employer contributions; increasing rates

4 A. The provisions of this Section shall apply to the following statewide
5 public retirement systems or funds:

6 * * *

7 (5) The Municipal Police Employees' Retirement System.

8 * * *

9 §107. Additional employer contributions; reducing rate decreases

10 A. The provisions of this Section shall apply to the following statewide
11 public retirement systems or funds:

12 * * *

13 (7) The Municipal Police Employees' Retirement System.

14 * * *

15 §107.1. Funding deposit account

16 A. The provisions of this Section shall apply to the following statewide
17 public retirement systems or funds, hereinafter referred to in this Section as
18 "systems":

19 * * *

20 (7) The Municipal Police Employees' Retirement System.

21 * * *

22 D. Notwithstanding any provisions of law to the contrary, the board of
23 trustees of each system may in any fiscal year direct that funds from the account be
24 charged for the following purposes:

25 * * *

26 (5) Notwithstanding other provisions of this Subsection, the Municipal
27 Police Employees' Retirement System shall direct that funds from this account be
28 charged solely for the purpose provided by Paragraph (4) of this Subsection.

29 * * *

Present law provides a formula for determining the required employer contribution rates for the statewide retirement systems. Present law grants certain statewide retirement systems the authority to increase required employer contribution rates up to 3% more than the rate determined under present law. Proposed law grants MPERS the same authority.

Present law (R.S. 11:107.1) establishes a "funding deposit account" in certain statewide systems. Funds collected pursuant to present law in excess of minimum required employer contribution rates are credited to this account and may be used by the board of trustees of the system for the following purposes:

- (1) Reduce system unfunded accrued liabilities.
- (2) Reduce future employer contribution rates.
- (3) Pay cost-of-living adjustments.

Proposed law establishes a funding deposit account within MPERS and further provides that the system may only provide for cost-of-living adjustments from the funding deposit account.

Present law provides that MPERS may provide a supplemental cost-of-living adjustment from interest income from investments to all retirees and beneficiaries who are 65 years of age or over provided certain requirements are met. Proposed law provides that after June 30, 2020, the first of such cost-of-living increase may be funded under present law, and any such cost-of-living increase thereafter may only be funded through the funding deposit account.

Effective June 30, 2020.

(Adds R.S. 11:105(A)(8), 106(A)(5), 107(A)(7), 107.1(A)(7) and (D)(5), and 246(C); Repeals R.S. 11:107.2 and 2225(A)(7))