

2020 Regular Session

SENATE BILL NO. 5

BY SENATOR PRICE

MUNICIPAL EMPLOYEE RET. Authorizes the board to deduct certain monthly insurance premiums from benefits payable to members or other beneficiaries. (6/30/20)

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AN ACT

To amend and reenact the introductory paragraph of R.S. 11:1823 and to enact R.S. 11:1823(23), relative to the Municipal Employees' Retirement System's board responsibilities, powers, and duties; to authorize certain monthly deductions from benefit payments; to provide for the promulgation of rules and regulations; to provide for an effective date; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. The introductory paragraph of R.S. 11:1823 is hereby amended and reenacted and R.S. 11:1823(23) is hereby enacted to read as follows:

§1823. Board responsibilities; powers and duties

Each board member shall discharge his fiduciary duties solely in the interest of the system's members and beneficiaries and for the exclusive purpose of providing benefits to the members and their beneficiaries, and defraying reasonable expenses of administering the system, with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like

1 character and with like aims. The board shall have the following powers and duties
2 in administering the system:

3 * * *

4 **(23) To deduct monthly life and health insurance premiums from the**
5 **benefits payable to any retiree or other beneficiary and to transmit them to the**
6 **agency to which the premiums are due. The board shall have full authority to**
7 **formulate and promulgate any and all necessary rules and regulations to**
8 **facilitate these deductions, including but not limited to requirements for written**
9 **documentation for deductions.**

10 Section 2. This Act shall become effective on June 30, 2020; if vetoed by the
11 governor and subsequently approved by the legislature, this Act shall become effective on
12 June 30, 2020, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Margaret M. Corley.

DIGEST

SB 5 Engrossed

2020 Regular Session

Price

Present law provides for the Municipal Employees' Retirement System (MERS) board of trustees to have certain responsibilities, powers, and duties, including each board member's sole fiduciary duty to the system's members and beneficiaries.

Proposed law retains present law.

Proposed law provides the MERS board with the power to deduct monthly life and health insurance premiums from the benefits payable to any retiree or other beneficiary and to transmit them to the agency to which the premiums are due.

Proposed law further provides that the board shall have full authority to formulate and promulgate any and all necessary rules and regulations to facilitate these deductions, including but not limited to requirements for written documentation for deductions.

Effective June 30, 2020.

(Amends R.S. 11:1823(intro para); adds R.S. 11:1823(23))