

ACT No. 250

2021 Regular Session

HOUSE BILL NO. 29

BY REPRESENTATIVE JEFFERSON

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AN ACT

To amend and reenact R.S. 11:2262(D)(2)(b) and 2265(A)(2) and to enact R.S. 11:2262(D)(2)(c) and 2262.1, relative to the Firefighters' Retirement System; to provide with respect to unfunded accrued liability payments when a fire department is fully or partially dissolved; to provide relative to the assignment of employee contributions to loan repayment; to provide for calculation of benefits; and to provide for related matters.

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

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:2262(D)(2)(b) and 2265(A)(2) are hereby amended and reenacted and R.S. 11:2262(D)(2)(c) and 2262.1 are hereby enacted to read as follows:

§2262. Method of financing

* * *

D. Pension accumulation fund

The pension accumulation fund shall be the fund in which shall be accumulated all reserves for the payment of all pensions and benefits payable from contributions made by employers. Contributions to and payments from the pension accumulation fund shall be made as follows:

* * *

(2)

* * *

1 (b) Reasonable attorney fees and court costs shall be recoverable by the
2 Firefighters' Retirement System:

3 (i) If any amount of delinquent payments under Paragraph (B)(1) of this
4 Section and Paragraph (1) of this Subsection are recovered by action in a court of
5 competent jurisdiction against a political subdivision or instrumentality liable.

6 (ii) In any concursus proceeding instituted pursuant to C.C.P. Art. 4651 et
7 seq., wherein the Firefighters' Retirement System is named as a party.

8 (c) Alternatively, at the request of the Firefighters' Retirement System, and
9 upon due certification of delinquency to the state treasurer, such amounts shall be
10 deducted from any other monies payable to such subdivision or instrumentality by
11 any department or agency of the state and shall be remitted directly to the
12 Firefighters' Retirement System.

13 * * *

14 §2262.1. Dissolution of fire department; unfunded accrued liability; payment by
15 employer

16 A.(1) If an employer fully dissolves its fire department, the employer shall
17 remit to the system, beginning the first July immediately following the date of
18 dissolution, that portion of the unfunded accrued liability existing on the thirtieth of
19 June immediately prior to the date of dissolution of the fire department that is
20 attributable to such employer and calculated using the allocation percentage included
21 in the prior fiscal year's employer pension report produced according to requirements
22 established by the Governmental Accounting Standards Board. The amount due
23 pursuant to the provisions of this Paragraph shall include interest at the system's
24 valuation interest rate.

25 (2)(a) If an employer partially dissolves its fire department, the employer
26 shall be liable for a pro rata portion of the system's unfunded accrued liability. The
27 portion shall be calculated by applying the percentage decrease in the salaries paid
28 to participating employees by the employer on the thirtieth of June and salaries paid
29 to participating employees by the employer as of the thirtieth of June of the prior
30 year to the total payment that would have been required pursuant to the provisions

1 of Paragraph (1) of this Subsection if the employer had fully dissolved its fire
2 department. Payments required pursuant to the provisions of this Paragraph shall
3 include interest at the system's valuation interest rate.

4 (b) An employer shall be deemed to have partially dissolved its fire
5 department if either of the following occurs:

6 (i) The number of participating employees of the employer as of the thirtieth
7 of June is less than seventy percent of the number of participating employees of the
8 employer on the thirtieth of June of the prior year and either the number of
9 participating employees decreases by at least three or the number of participating
10 employees is zero.

11 (ii) The number of participating employees of the employer as of the thirtieth
12 of June is at least fifty fewer than the number of participating employees of the
13 employer as of the thirtieth of June of the prior year.

14 B.(1) Any amount due pursuant to Subsection A of this Section shall be
15 determined by the actuary employed by the system and shall be amortized over
16 fifteen years in equal payments with interest at the system's valuation rate. Payments
17 for withdrawals that occur on or after July 1, 2021, shall be payable beginning the
18 first of July of the second fiscal year following the determination by the actuary and
19 in the same manner as regular payroll payments to the system. Beginning on the first
20 of July of the fiscal year following withdrawal, interest shall accrue at the system's
21 actuarial valuation rate, compounded annually.

22 (2) If the number of participating employees of an employer subject to
23 Paragraph (A)(2) of this Section returns to at least the number of participating
24 employees as of the thirtieth of June immediately preceding the withdrawal, the
25 payments required by this Section shall cease on the first of July following the
26 determination by the actuary that a sufficient increase in participating employees has
27 occurred, and no further payments shall be due with respect to the withdrawal. Any
28 payments made pursuant to this Section shall be credited as an offset of any amounts
29 due by the employer attributable to any subsequent withdrawal that occurs within
30 fifteen years of the payments.

1 C. If an employer fails to make a payment timely, the amount due shall be
2 collected in any of the following manners:

3 (1) By action in a court of competent jurisdiction against the delinquent
4 employer. The amount due shall include interest calculated by the system's actuarial
5 valuation rate, compounded annually. The employer shall also be liable for any legal
6 and actuarial fees incurred by the system in the collection of amounts pursuant to this
7 Section.

8 (2) The board may certify to the state treasurer all amounts attributable to the
9 delinquent employer. In support of such certification, the board shall submit to the
10 treasurer a resolution certifying the name of the delinquent employer, its failure to
11 pay, and the amount owed and shall name a designee or designees to act on the
12 board's behalf. Upon receipt of such certification, the treasurer shall deduct from
13 monies payable to the certified delinquent party the certified amount due and shall
14 remit such deducted amounts directly to the Firefighters' Retirement System.

15 D. For the purposes of this Section, the following terms shall mean:

16 (1) "Participating employee" shall mean an active member or participant in
17 the Deferred Retirement Option Plan.

18 (2) "Withdrawal" shall mean the dissolution or partial dissolution of a fire
19 department as described in Subsection A of this Section.

20 * * *

21 §2265. Assignment of employee contributions; credit union loans

22 A.

23 * * *

24 (2)(a) The member shall authorize the system to deliver or pay the total
25 amount of his accumulated employee contributions to the designated credit union,
26 upon termination or resignation of employment but only if he has less than twelve
27 years of creditable service. If a member who accumulates twelve or more years of
28 creditable service and who, having previously executed a valid assignment of
29 employee contribution, elects to withdraw his accumulated employee contributions,

