HOUSE SUMMARY OF SENATE AMENDMENTS

HB 21 **2022 Regular Session** **Bacala**

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

Synopsis of Senate Amendments

1. Specify that a nonrecurring lump-sum payment may be paid from the funding deposit account only once in a three-year period.

2. Add effective date.

Digest of Bill as Finally Passed by Senate

Proposed law establishes a funding deposit account for MPERS.

Proposed law authorizes the board of trustees to require an employer contribution rate up to the following limits:

(1) When the contribution rate is equal or greater than the previous year's rate, the board can set the rate .85% greater than the fiscal year's rate.

(2) In a fiscal year when the contribution rate is lower than the previous year, the board can set the rate at the otherwise required rate plus .85% plus half the difference between the rates for the two years.

Proposed law requires that excess contributions be applied to reduce the outstanding balance of the oldest amortization base or to pay additional benefits.

Proposed law authorizes the board to dedicate a specific amount of the excess contributions, .85% greater than the contribution rate, to fund additional benefits.

Proposed law provides funds that additional benefits shall be paid only with funds from the funding deposit account and only when funds are sufficient.

Proposed law provides that the board of trustees shall determine the following when granting additional benefits:

(1) Whether the benefits are permanent or nonrecurring. Provides that a nonrecurring lump sum payment shall be granted no more than once in a three-year period.

(2) Whether the benefits are based on the retiree or survivor's current or original benefit.

(3) Whether a minimum age is required.

(4) Whether a retiree or survivor meets minimum period since benefit commencement.

Proposed law provides that permanent benefit increases may not exceed 3% of benefit or be payable to the retiree or survivor until one year since benefit commencement.

Proposed law requires that an adjustment to benefits be made by formal action by the board of trustees.

Effective June 30, 2022.

(Adds R.S. 11:2225.5; Repeals R.S. 11:107.2, 243(A)(8), 246(A)(8), and 2225(A)(7))