
DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 43 Original

2024 Regular Session

Bacala

Abstract: Provides relative to the Municipal Police Employees' Retirement System (MPERS) including provisions for: UAL payments by municipalities that dissolve or substantially reduce their police departments; deadlines for submission of member information and reports; penalties for failing to timely submit information or reports; and service on the MPERS board of trustees.

Proposed law requires MPERS employers to submit to the retirement system a fully completed membership enrollment form, a copy of the birth certificate and Social Security card for each member it employs and his beneficiaries within 90 days after employment.

Present law requires an employee to have a physical examination and further requires that the examination and the execution of any waivers of preexisting conditions or history be received by the system within six months after employment.

Proposed law changes the deadline for submitting the physical examination to the system to 90 days after employment.

Proposed law provides that an employer that does not submit the required materials within 90 days shall pay a fine of \$100 per day per member whose documents have not be submitted, subject to a maximum of \$2000 per member. Provides for interest on unpaid amounts. Provides that no retiree or beneficiary shall receive benefits if the documents are not received and fines not paid. Provides that an affidavit opting out of membership in the system, as authorized by present law, is not effective until the date that such documents are provided and fines paid.

Present law provides that the MPERS system is governed by a board of trustees comprised of 15 members. Board membership includes seven active contributing members, four of who shall be police chiefs and three of whom shall not be chiefs.

Proposed law provides that if such a member of the board with no more than two years left in his term becomes a retiree of the system or is no longer a police chief, he shall continue to serve as a member of the board until the expiration of the term for which he was elected.

Proposed law requires a municipality that employed a police officer or chief within the previous 10 fiscal years to submit reports to the system as follows:

- (1) Reports shall be submitted no later than the 15th day of each month.
- (2) The reports shall include the amount of earnable compensation per employee and shall separately report state supplemental pay and the amount of compensation paid for overtime. The report shall include other information prescribed by the board.
- (3) If a report is in error as to the earnable compensation of any member and such an error results in an overpayment of benefits by the system, the municipality shall reimburse the system for the overpayments within 30 days after notification of the discovery of the error or overpayment.
- (4) The penalty for failing to timely file such reports is \$100 per day, subject to a maximum of \$2000 per month. Once the penalty meets the maximum, the municipality is also required to pay interest on the penalty.

Present law requires a municipality that dissolves or substantially reduces the size of its police department to make certain unfunded accrued liability payments to MPERS based on the size of the department prior to the reduction. Proposed law amends present law regarding partial dissolutions as follows:

- (1) Present law provides that a police department is partially dissolved if its number of employees participating in the system is reduced by at least 50. Proposed law retains present law. Present law provides that a police department is partially dissolved if the number of participating employees is reduced by 30% or more and either the number of participating employees decreases by at least two or the number of participating employees is zero. Proposed law provides that a department is partially dissolved if that number is reduced by 20%.
- (2) Present law provides that a partial dissolution is determined by comparing the number of employees in the current year to the number in the previous year. Proposed law provides that the number in the current year is compared to the average of the 10 previous years.
- (3) Proposed law provides for a 25% penalty for unpaid payments. Further provides that the employer shall reimburse the system any legal and actuarial fees associated with collection of the payments.

Effective July 1, 2024.

(Amends R.S. 11:2214(A)(2)(a) and (d)(ii), 2225(A)(3)(a), 2225.4, and 2227(A) and (B)(1)(intro. para.))