

HOUSE SUMMARY OF SENATE AMENDMENTS**HB 42****2024 Regular Session****Firment**

RETIREMENT/MUNICIPAL POL: Provides relative to membership in the Municipal Police Employees' Retirement System (MPERS)

Synopsis of Senate Amendments

1. Require that the election not to participate in MPERS, for those who have this option, be made within 30 days of eligibility to participate in the system.
2. Add deadlines for applications for survivor benefits.
3. Regarding the membership on the MPERS board of trustees, add a provision that an active member of the system, a police chief, and a mayor cannot be from the same municipality.
4. Change the maximum population of the municipality from which one mayor shall be appointed to the board of trustees.
5. Remove proposed law that certain actions by the system against employers are subject to the La. Governmental Claims Act.
6. Amend procedures that are required before the state treasurer can withhold amounts to cover delinquent payments from certain municipalities.
7. Provide for a payment plan over a term of up to 15 years for amounts owed to the system that were delinquent prior to July 1, 2024.
8. Allow an employer or an employee to purchase service credit for which contributions were not paid for certain employees.
9. Repeal certain exceptions to a required benefit suspension during part-time reemployment of a retiree.
10. Repeal provisions regarding payments from a DROP account for persons who die during a period of reemployment following DROP participation.

Digest of Bill as Finally Passed by Senate

Present law provides that an employee who is employed by any employer that has employees covered under the federal Social Security program may elect not to be a member of MPERS.

Proposed law provides that the irrevocable election not to participate shall be made within 30 days of becoming eligible to participate.

Present law provides that the MPERS board of trustees is composed of 15 members as follows:

- (1) Three active contributing members of the system with 10 or more years of service credit.
- (2) Four active contributing chiefs of police with four or more years of service credit.
- (3) Two regular retirees of the system.

- (4) The chairman of the Senate Committee on Retirement or his designee.
- (5) The commissioner of administration or his designee.
- (6) The state treasurer or his designee.
- (7) A member of the House Committee on Retirement appointed by the Speaker.
- (8) Two mayors appointed by the La. Municipal Assoc. (LMA).

Proposed law increases membership to 16 members by adding an additional mayor appointed by the LMA. Requires that one mayor be from a municipality with a population of less than 2,500.

Present law provides legal procedures by which MPERS collects delinquent payments. Provides for the treasurer to withhold certain funds otherwise owed to a municipality in order to satisfy the municipality's delinquent payments. Proposed law provides that for municipalities with a population of greater than 2,500, a 2/3rds vote of the board of trustees is required to certify delinquent amounts to the treasurer.

Proposed law provides that actions and claims instituted by the retirement system, its board of trustees, any current or past employee or member, or any other claimant against any employer or member to recover delinquent payments, benefits, or damages of any kind is subject to a liberative prescription of three years.

Proposed law provides that for amounts that became delinquent on or before June 30, 2024, the board of trustees may approve a payment plan for a term of up to 15 years.

Proposed law authorizes an employer or an employee to pay an amount equal to the actuarial cost of purchase of the service credit for which contributions were not paid for employment prior to June 30, 2021.

Present law provides that survivor benefits shall be payable to any survivor of an active contributing member who dies before retirement or a disability retiree who dies after retirement. Provides that benefits are payable upon application therefor and become effective as of the day following the death of the member.

Proposed law retains present law regarding when benefits are payable if the application is received within 120 days after the date of death. If not so received, benefits are payable not later than the first month following 30 days from the date that the system receives the application.

Present law provides that the benefits of any retiree who retires on or after July 1, 2021, and who becomes employed by an employer in a part-time position within the 12-month period immediately following his retirement shall be suspended for the duration of such employment or the lapse of 12 months from the effective date of retirement. Present law provides exceptions from this required benefit suspension for a police officer employed for not more than 50 hours per month or as an elected official other than a chief of police.

Proposed law repeals the exceptions and otherwise retains present law.

Present law provides for employees who continue to be employed after participation in the Deferred Retirement Option Plan (DROP).

Present law provides that if the employee dies or acquires a disability during the period of additional service, he shall be considered as having terminated employment on the date of death or commencement of disability. Proposed law retains present law.

Present law provides that if the employee dies, his designated beneficiary or, if none, his

estate shall receive payment from his DROP account. Proposed law repeals present law.

Effective June 30, 2024.

(Amends R.S. 11:157(A)(1), 2220(B)(2)(e), 2225(A)(2)(a), and 2227(D)(2); Adds R.S. 11:157(A)(3), 2227(J)(3) and (4), 2236, and 2237; Repeals R.S. 11:2213(11)(a)(iv), 2220(J)(4), and 2221(K)(4)(b))