

First Extraordinary Session, 2005

HOUSE BILL NO. 18

BY REPRESENTATIVE HUTTER

1 AN ACT

2 To amend and reenact R.S. 11:163(A) and (C), relative to retirement service and salary  
3 credit for public employees on involuntary furlough or leave without pay; to allow  
4 certain employees to continue to earn service and salary credit while on such  
5 furlough or leave; to provide for payment therefor; to provide limitations; to provide  
6 for implementation; to provide for an effective date; and to provide for related  
7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 11:163(A) and (C) are hereby amended and reenacted to read as  
10 follows:

11 §163. Credit for involuntary furlough; credit for leave without pay

12 A.(1) Any member of a state or statewide public retirement system who is  
13 involuntarily furloughed without pay due to the temporary closure of his employer  
14 or involuntarily furloughed or placed on leave without pay due to a gubernatorially  
15 declared disaster or emergency shall be entitled to purchase service and salary credit  
16 for each day of service that he was furloughed or on such leave if such service was  
17 not credited to his account. There shall be no duplication of credit under the  
18 provisions of this Section.

19 (2)(a) Any member of a state or statewide public retirement system who is  
20 involuntarily furloughed without pay or placed on leave without pay on or after  
21 August 29, 2005, due to a gubernatorially declared disaster or emergency shall be  
22 entitled to purchase service and salary credit for each day of service during the  
23 period beginning on August 29, 2005, and ending on June 30, 2006, that he was  
24 furloughed or on such leave if such service was not credited to his account.

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(b) There shall be no duplication of credit under the provisions of this Section.

(c) Any service and salary credit purchased pursuant to this Paragraph shall be subject to the following conditions and limitations:

(i) The purchased service and salary credit may not be used for the purpose of meeting the minimum service requirements for disability retirement.

(ii) Compensation on which the required contributions for purchase of service and salary credit are based shall be the rate of compensation in effect for the last full pay period ending on or before August 29, 2005.

(iii) The right to purchase service and salary credit pursuant to this Paragraph shall not apply to routine personnel actions or separations which are not the direct result of a gubernatorially declared disaster or emergency.

(iv) Any dispute arising under the limitations of this Paragraph shall be resolved in the sole and exclusive discretion of the board of trustees of the retirement system.

(d) The board of trustees of each state and statewide retirement system may adopt rules to implement the provisions of this Paragraph and Paragraph (C)(2) of this Section.

(e) All payment for service purchased pursuant to this Paragraph shall be remitted to the system on or before December 31, 2006.

\* \* \*

C.(1) ~~Any~~ Except as provided in Paragraph (2) of this Subsection, any purchase of credit under made pursuant to this Section shall be made by paying to the system an amount sufficient to offset any liability to the system, calculated on an actuarial basis in accordance with R.S. 11:158.

(2) Notwithstanding the provisions of Paragraph (1) of this Subsection, a member who purchases service and salary credit pursuant to Paragraph (A)(2) of this Section shall pay to the system or to his employer the employee and employer contributions which would be remitted to the system by his employer if not for the involuntary furlough or leave without pay. Such contributions, if paid to the

1           employer, shall be remitted by the employer to the system. The member shall remit  
2           the contributions in either of the following ways:

3                   (a) At the same time and in the same amount as such contributions would be  
4                   due to the system if paid by the employer. Should the employee be delinquent in  
5                   remitting such contributions, his delinquent payment shall be treated in the same  
6                   manner as a delinquent payment from the employer pursuant to the provisions of  
7                   R.S. 11:281; however, any such contributions from a member which would have  
8                   been due before the effective date of this Paragraph shall be considered to have been  
9                   made timely if received by the system on or before the date on which contributions  
10                  for service and salary credit for December 2005 are due.

11                   (b) In a lump sum payment within thirty days of the member's return to  
12                   work; however, any payment made pursuant to the provisions of this Subparagraph  
13                   shall be remitted to the system on or before December 31, 2006. A delinquent  
14                   payment shall be treated in the same manner as a delinquent payment from the  
15                   employer pursuant to the provisions of R.S. 11:281.

16           Section 2. This Act is declared to be remedial, curative, and procedural and therefore  
17 is to be applied retroactively as well as prospectively.

18           Section 3. This Act shall become effective upon signature by the governor or, if not  
19 signed by the governor, upon expiration of the time for bills to become law without signature  
20 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
21 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
22 effective on the day following such approval.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_