
DIGEST

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Pearson

HB No. 51

Abstract: Changes from four years to five years the number of years used to calculate final average compensation for certain members of the Firefighters' Pension and Relief Fund in the city of New Orleans.

Present law provides relative to the computation of benefits for members in the Firefighters' Pension and Relief Fund in the city of New Orleans.

Provides that if the firefighter has worked one or more hours of service after Dec. 31, 1995, he shall receive a retirement benefit equal to 2.5% of his average compensation multiplied by the number of years of creditable service. If the member remains a member of the system beyond 12 years of service and such member attains the age of 50, the retirement benefit for each year or portion of a year beyond 12 years of service and after age 50 shall be an amount equal to 3-1/3% of the average annual compensation. If the member continues service beyond 30 years, the retirement benefit for each year or portion of a year beyond 12 years of service shall be an amount equal to 3-1/3% of the average annual compensation. Present law retains proposed law.

Present law provides that average compensation for such calculations is based on the four highest consecutive years of employment. Provides further that the benefits of such firefighter shall not exceed 100% of the average compensation earned during any three highest average consecutive years of service.

Proposed law provides that the calculation is based on the five highest consecutive years of employment and that the benefits shall not exceed 100% of the average compensation earned during any five highest average consecutive years of service.

Present law provides that a firefighter who has not worked an hour of service after Dec. 31, 1995, shall receive a retirement allowance equal to 2.5% of his average salary multiplied by the number of years of creditable service, not to exceed 75%. Provides that for employees who remain in service beyond 12 years and who have reached the age of 55 years, the benefit shall be 3% for all years over 12, with a maximum benefit of 80%. Proposed law retains present law.

Present law provides that average salary is based on the highest four consecutive years. Proposed law provides that the average salary is based on the highest five consecutive years.

Proposed law provides that for members retiring or entering the Deferred Retirement Option Plan or back-Deferred Retirement Option Plan on or after July 1, 2013, and on or before July 1, 2014,

the period used to calculate monthly average final compensation shall be 48 months plus the number of whole months since July 1, 2013. Otherwise retains present law.

Effective July 1, 2013.

(Amends R.S. 11:3384(B) and (C))

Summary of Amendments Adopted by House

House Floor Amendments to the engrossed bill.

1. Adds provisions specifying the period used to calculate average final compensation for those who retire or enter DROP between July 1, 2013 and July 1, 2014.
2. Adds effective date.