
DIGEST

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Montoucet

HB No. 67

Abstract: Provides that the benefit accrual rate for members of the Firefighters Retirement System (FRS) first hired on or after July 1, 2014, is based on length of service and extends maximum DROP participation from three to five years for members with 30 or more years of service.

ACCRUAL RATE

Present law provides that any person who has been a member of FRS for at least one year shall be entitled to retire if he has attained the following age and service criteria:

<u>Years of Service</u>	<u>Age</u>
12	55
20	50
25	Any

Proposed law retains present law.

Present law provides that, upon retirement, the member shall be paid an annual retirement allowance equal to 3a % of his average final compensation multiplied by his total years of creditable service. Proposed law retains present law for all members hired on or before June 30, 2014.

Proposed law changes the accrual rate for members whose first employment occurred on or after July 1, 2014; ties the accrual rate for such members to length of service, as follows:

- (1) 3% for any member whose total years of creditable service is less than 30 years.
- (2) 3a % for any member whose total years of creditable service is equal to or greater than 30 years.

Present law provides that a member's annual retirement allowance shall not exceed 100% of his average final compensation. Proposed law retains present law.

DROP

Present law provides that, in lieu of terminating employment and accepting retirement benefits, any FRS member who has at least 20 years of creditable service and who is eligible to receive retirement benefits may elect to participate in the Deferred Retirement Option Plan (DROP) and defer the receipt of benefits.

Present law provides that, upon commencement of DROP participation, membership in FRS ceases and neither employee nor employer contributions are payable to FRS.

Proposed law retains present law.

Present law provides that a member's duration of participation in the DROP plan may not exceed three years. Proposed law retains present law for members with less than 30 years of service. Proposed law further provides that for members with 30 or more years of service, the period of DROP participation may not exceed five years.

Proposed law authorizes any person who has 30 or more years of creditable service and who is participating in the DROP plan on the effective date of the Act to extend his period of participation to the five years provided for in proposed law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 11:2256(A)(1), (2), and (4) and 2257(C))