
DIGEST

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Pearson

HB No. 23

Abstract: Makes various corrections to the Municipal Employees' Retirement System (MERS).

Present law creates two tiers of membership in Plan A of MERS. Proposed law retains present law. Present law (R.S. 11:1789.1) provides that for purposes of Plan A Tier 2, the term "member" shall mean a person whose first employment making him eligible for membership in one of the state systems occurred on or after Jan. 1, 2013. Proposed law changes this definition to mean a person whose first employment making him eligible for membership in MERS occurred on or after Jan. 1, 2013.

Present law provides for how expenses of the system are handled. Presently each fund makes contributions to the "expense fund" in proportion to the number of members in the fund and expenses are paid from this fund. Proposed law changes how the expenses are handled and repeals provisions relating to the "expense fund". Under proposed law, all expenses would be paid from Plan A. At the end of each year, assets would be transferred from Plan B to Plan A to pay (pro rata) its share of the expenses.

Present law (R.S. 11:1861) lists the different accounts within the system to which funds are credited. Proposed law removes the "expense fund" from the list and adds the DROP accounts for Plans A and B.

(Amends R.S. 11:1789.1(2), 1789.4(1), 1808.4(2), 1841(B), 1842, 1861, and 1862(B)(intro. para.); Repeals R.S. 11:1787, 1807, 1862(D), and 1863)