

Regular Session, 2014

HOUSE BILL NO. 94

BY REPRESENTATIVE LEGER

RETIREMENT/LOCAL: Provides relative to the minimum retirement age, accrual rate, and benefits for new members of the Firefighters' Pension and Relief Fund in the city of New Orleans hired after January 1, 2015

1 AN ACT

2 To amend and reenact R.S. 11:3384(A), (B), and (D) and 3386, relative to new members of  
3 the Firefighters' Pension and Relief Fund in the city of New Orleans; to provide  
4 relative to membership in the system for such members; to provide relative to  
5 retirement eligibility and benefits for such members; to provide relative to  
6 beneficiaries and survivors of certain such members; to provide for an effective date;  
7 and to provide for related matters.

8 Notice of intention to introduce this Act has been published  
9 as provided by Article III, Section 13 and Article X, Section  
10 29(C) of the Constitution of Louisiana.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 11:3384(A), (B), and (D) and 3386 are hereby amended and  
13 reenacted to read as follows:

14 §3384. Firefighters employed after December 31, 1967; computation of benefits  
15 A.(1) Notwithstanding R.S. 11:3381, any firefighter who enters the employ  
16 of the fire department after December 31, 1967, and on or before December 31,  
17 2014, who has reached the age of fifty years and who has not less than twelve years  
18 of service in the fire department, and who is a contributing member of this system,  
19 may retire upon his written application to the board setting forth at what time he

1 desires to be retired, provided that, at the time so specified for his retirement, he shall  
2 have met the requirements as provided in this Section.

3 (2) Any firefighter who enters the employ of the fire department on or after  
4 January 1, 2015, who has reached the age of fifty-two years, who has not less than  
5 twelve years of service in the fire department, and who is a contributing member of  
6 this system may retire upon his written application to the board setting forth at what  
7 time he desires to be retired, if at the time so specified for his retirement he meets the  
8 requirements as provided in this Section.

9 B.(1) If ~~the~~ a firefighter employed by the fire department on or before  
10 December 31, 2014, has worked one or more hours of service after December 31,  
11 1995, he shall receive a retirement benefit equal to two and one-half percent of his  
12 average compensation based on the five highest consecutive years of employment,  
13 multiplied by the number of years of creditable service. If the member continues to  
14 remain a member of the system beyond twelve years of service and such member  
15 attains the age of fifty, the retirement benefit for each year or portion of a year  
16 beyond twelve years of service and after age fifty shall be an amount equal to three  
17 and one-third percent of the average annual compensation for each year or portion  
18 of a year. If the member continues service beyond thirty years, the retirement benefit  
19 for each year or portion of a year beyond twelve years of service shall be an amount  
20 equal to three and one-third percent of the average annual compensation for each  
21 year or portion of a year. However, the retirement benefit shall not exceed a total of  
22 three and one-third percent each year. The service benefits of such firefighter shall  
23 not exceed one hundred percent of the average compensation earned during any five  
24 highest average consecutive years of service preceding retirement.

25 (2) A firefighter who enters the employ of the fire department on or after  
26 January 1, 2015, shall receive a retirement benefit equal to two and three quarters  
27 percent of his average compensation based on the five highest consecutive years of  
28 employment, multiplied by the number of years of creditable service. The service  
29 benefits of such firefighters shall not exceed one hundred percent of the average

1           compensation earned during any five highest average consecutive years of service  
2           preceding retirement.

3   \*           \*           \*

4           D.(1) Any member who entered service after December 31, 1967, and on or  
5           before December 31, 2014, whose withdrawal from service occurs prior to the  
6           attainment of age fifty years and who shall at such time have completed at least  
7           twelve years of creditable service, shall remain a member of the retirement system,  
8           and in such case said member shall receive a service retirement beginning when he  
9           attains the age of fifty years.

10           (2) Any member who enters the employ of the fire department on or after  
11           January 1, 2015, whose withdrawal from service occurs prior to the attainment of  
12           fifty-two years of age and who shall at such time have completed at least twelve  
13           years of creditable service shall remain a member of the retirement system, and in  
14           such case said member shall receive a service retirement beginning when he attains  
15           fifty-two years of age.

16   \*           \*           \*

17           §3386. Vested rights and benefits

18           A. Any member employed by the fire department on or before December 31,  
19           2014, whose withdrawal from service occurs prior to the attainment of age fifty years  
20           and who shall at such time have completed at least twelve years but less than twenty  
21           of creditable service shall remain a member of the pension and relief fund, and, in  
22           such a case, ~~said~~ the member shall receive a service retirement benefit beginning  
23           when he attains the age of fifty years, provided such member has not withdrawn his  
24           accumulated contributions. The retirement benefit to be paid shall be two and  
25           one-half percent of average compensation during the best year of service preceding  
26           the date of withdrawal from service for each year of credited service. If the member  
27           dies after withdrawal from service but prior to attaining age fifty but having twelve  
28           years credited service, his widow and/or children and/or survivors shall be entitled  
29           to receive his accumulated contributions in a lump sum with interest credited thereto.

1 If the member receiving benefits under this ~~Section~~ Subsection dies, his surviving  
2 widow shall receive the minimum benefit as set forth in R.S. 11:3383. If the member  
3 receiving benefits under this Section dies leaving a widow and children under the age  
4 of eighteen, then the widow and children under eighteen years of age shall receive  
5 the minimum benefit as set forth in R.S. 11:3383 equally divided between them.  
6 When the children of the member attain the age of eighteen or become married while  
7 receiving benefits under this ~~Section~~ Subsection, the benefits they are receiving shall  
8 be paid to the widow of the member.

9 B. Any member who enters the employ of the fire department on or after  
10 January 1, 2015, whose withdrawal from service occurs prior to the attainment of  
11 fifty-two years of age and who shall at such time have completed at least twelve  
12 years but less than twenty years of creditable service shall remain a member of the  
13 pension and relief fund, and, in such a case, said member shall receive a service  
14 retirement benefit beginning when he attains fifty-two years of age, provided such  
15 member has not withdrawn his accumulated contributions. The retirement benefit  
16 to be paid shall be two and one-half percent of average compensation during the best  
17 year of service preceding the date of withdrawal from service for each year of  
18 credited service. If the member dies after withdrawal from service but prior to  
19 attaining age fifty-two but having twelve years credited service, his widow, child or  
20 children, or estate, as applicable, shall be entitled to receive his accumulated  
21 contributions in a lump sum with interest credited thereto. If the member receiving  
22 benefits under this Subsection dies, his surviving widow shall receive the minimum  
23 benefit as set forth in R.S. 11:3383. If the member receiving benefits under this  
24 Subsection dies leaving a widow and children under the age of eighteen, then the  
25 widow and children under eighteen years of age shall receive the minimum benefit  
26 as set forth in R.S. 11:3383 equally divided between them. When the children of the  
27 member attain the age of eighteen or become married while receiving benefits under  
28 this Subsection, the benefits they are receiving shall be paid to the widow of the  
29 member.

1 Section 2. This Act shall become effective on January 1, 2015.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Leger

HB No. 94

**Abstract:** Relative to benefits of new members, those hired on and after Jan. 1, 2015, of the Firefighters' Pension and Relief Fund in the city of New Orleans (NOFF).

Present law establishes NOFF and provides specific rights and benefits for members employed by the fire department on and after Jan. 1, 1968. Proposed law retains present law for all members of NOFF employed by the fire department on or before December 31, 2014.

Present law (R.S. 11:3384) provides that a member of NOFF hired after Jan. 1, 1968, may retire with 12 years of creditable service upon attaining 50 years of age. Proposed law changes the age for retirement eligibility a member of NOFF hired on or after Jan. 1, 2015, from 50 to 52.

Present law provides that a member of NOFF hired after Jan. 1, 1968, who has worked at least one hour of service after Dec. 31, 1995, receives a retirement benefit calculated as follows:

- (1) If the member works at least 12 and not more than 30 years, his benefit will equal  $2.5\% \times (5\text{-year FAC}) \times \text{years of service}$ .
- (2) If the member works more than 12 years (but less than 30 years) and attains the age of 50, his benefit will be modified so that each year of portion of a year beyond 12 years of service and after age 50 shall equal 3.33% of average annual compensation for each such year or portion of a year.
- (3) If the member works 30 or more years, his benefit will be modified so that each year or portion of a year beyond 12 years of service shall equal 3.33% of average annual compensation.

Proposed law provides that for members of NOFF hired on or after Jan. 1, 2015, the benefit shall be calculated as follows:  $2.75\% \times (5\text{-year FAC}) \times \text{years of service}$ .

Present law (R.S. 11:3386) authorizes a member who has at least 12 years of creditable service, but who has not yet attained the age of 50, to leave employment and begin receiving his benefit check upon attaining age 50 if he has not withdrawn his accumulated contributions from the system. Proposed law retains present law for members hired on or before Dec. 31, 2014. Changes the age at which a member first hired on or after Jan. 1, 2015, may receive a deferred benefit from 50 to 52.

Present law provides a benefit calculation for such deferred vested member as follows:  $2.5\% \times (\text{his highest year of compensation}) \times \text{years of service}$ . Proposed law retains present law.

Present law provides that the system shall transfer the accumulated contributions of deferred vested member who dies after withdrawal from service but prior to attaining the age necessary for a retirement benefit in a lump sum, including interest, to his widow, or children, or survivor. Proposed law changes the recipients of such lump sum for members hired on or after Jan. 1, 2015, to the widow, child or children, or the deceased's estate.

Present law provides that if a deferred vested member who is receiving benefits dies, his widow shall receive the minimum benefit established in present law (\$1,200/month). Further provides that if the member leaves a widow and at least one child under the age of 18, then the widow and the child or children under 18 shall split the minimum benefit amount equally. Upon the earlier of attaining the age of 18 or marriage, the benefits paid to the minor child shall cease. Proposed law retains present law.

Effective Jan. 1, 2015.

(Amends R.S. 11:3384(A), (B), and (D) and 3386)