
DIGEST

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HB 44 Engrossed

2015 Regular Session

Miller

Abstract: Requires an employer in the Municipal Police Employees' Retirement System (MPERS) that terminates participation in the system by dissolving its police department, either fully or partially, to remit to the system any portion of UAL attributable to its prior participation.

Present law (R.S. 11:2211 et seq.) establishes MPERS to provide pension benefits for retirees and beneficiaries of full-time municipal police officers and chiefs of police.

Proposed law requires any municipality who fully or partially terminates participation in MPERS, through complete dissolution of its police force or through salary cuts of more than 30% to its existing police force, to pay to the system any UAL attributable to its prior participation. In the event of full termination, proposed law requires payment of the employer's portion of the UAL existing on the June 30th immediately prior to the date of termination, including interest at the system's valuation rate. Proposed law defines partial termination as a fiscal-year over fiscal-year decrease of more than 30% in the salaries upon which contributions are made to the system. In such event, the employer is liable for a pro rata portion of the system's UAL, calculated by applying the percentage decrease in fiscal-year over fiscal-year salaries upon which contributions are made to the total payment that would be required in the event of a full termination.

Proposed law requires the system actuary to determine amounts due. Further authorizes the terminating employer to pay the amount due in a lump sum or over a 10 year period in equal monthly payments with interest at the system's actuarial valuation rate.

Proposed law authorizes the system to collect delinquent amounts due pursuant to proposed law in one of two ways:

- (1) By filing an action against the delinquent employer in a court of competent jurisdiction. Provides that the amount due shall be collected with interest at the system's actuarial valuation rate, compounded annually.
- (2) By certifying to the state treasurer the name of the delinquent employer and the amount due. Upon receipt of such certification, the treasurer shall deduct from monies payable to the delinquent party the delinquent amount and remit such amount directly to MPERS.

Present law (R.S. 11:2231) defines "employer" for the purposes of MPERS law as "any municipality in the state which employs a full-time police officer, empowered to make arrests, or which has an elected chief of police whose salary is at least \$180 per month, and the Municipal Police Employees'

Retirement System." Proposed law provides that for the purposes of proposed law only, the term "employer" shall have the same meaning as in present law and include any municipality that terminates participation pursuant to proposed law.

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

(Adds R.S. 11:2225.4)