
DIGEST

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HB 56 Original

2016 Regular Session

Leger

Abstract: Increases the age of retirement eligibility and reduces the accrual rate for new members, those hired on or after Jan. 1, 2017, of the Firefighters' Pension and Relief Fund in the city of New Orleans (NOFF).

Present law provides that a member of NOFF is eligible to retire if he has 12 years of creditable service and has attained a specified age. For persons hired on or after Jan. 1, 1968, but prior to Jan. 1, 2015, the specified age of retirement eligibility is 50 and for persons hired on or after Jan. 1, 2015, the specified age is 52. Proposed law retains present law for those hired prior to Jan 1, 2017, but for those hired on or after that date, provides that the specified age of retirement eligibility is 57.

Present law authorizes a member who has at least 12 years of creditable service, but who has not yet attained the specified age of retirement eligibility, to leave employment and begin receiving his benefit check upon attaining his specified retirement age. Provides for distribution of his benefit to his widow, children, or estate if he dies before reaching the age of retirement eligibility and to his widow and minor children if he dies after he starts receiving a benefit. Proposed law retains present law except to change the age of retirement eligibility for new employees in conformity with proposed law discussed above.

Present law provides that for a member of NOFF hired on or after Jan. 1, 2015, his retirement benefit shall be calculated as follows: $2.75\% \times (5\text{-year Final Average Compensation (FAC)}) \times \text{years of service}$.

Proposed law retains present law for those hired prior to Jan. 1, 2017, but for those hired on or after that date, the benefit shall be calculated as follows: $2.5\% \times (5\text{-year FAC}) \times \text{years of service}$.

(Amends R.S. 11:3384(A)(2), (B)(2), and (D)(2) and 3386(B); Adds R.S. 11:3384(A)(3), (B)(3), and (D)(3))