

## RÉSUMÉ DIGEST

ACT 599 (HB 57)

2016 Regular Session

Leger

Existing law establishes the Fire Fighters' Pension and Relief Fund in the city of New Orleans (NOFF) and provides for the assessment of contributions from employees in order to partially fund the benefits provided by the fund.

Prior law required an employee contribution of at least 10% of the employee's salary. New law provides instead that the minimum contribution is 10% of the employee's compensation allowed as salary. New law prohibits claims against the city, the fire department, or the fund for such deductions once the member receives a distribution of any kind from the fund.

Prior law required the employee contribution assessments to be made on a monthly basis. New law requires such assessments to be made each pay period.

New law provides that member contributions are an "employer pick-up" plan pursuant to Internal Revenue Code provisions and shall be administered as prescribed by that code. Such plan authorizes an employer to deduct employee contributions from the member's pay and remit them directly to the system. Further provides that the sums deducted by the employer for employee contribution purposes are to be counted as part of the employee's compensation allowed as salary for the purposes of determining benefits and existing law minimum compensation requirements.

New law requires the city of New Orleans to remit collected employee contributions to the system at least once per month.

New law requires the board of trustees of the fund to adopt procedures for the collection, remittal, and reporting of contributions pursuant to existing and new law.

Effective upon signature of governor (June 17, 2016).

(Amends R.S. 11:3363(B))