

2017 Regular Session

HOUSE BILL NO. 23

BY REPRESENTATIVES CARPENTER AND ABRAHAM

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT/FIREFIGHTERS: Provides relative to benefit payments if an eligible member of the Firefighters' Retirement System dies prior to retirement

1 AN ACT

2 To amend and reenact R.S. 11:2256(A)(3) and (B)(1)(d), to enact R.S. 11:2256(A)(6), and
3 to repeal R.S. 11:2256(B)(1)(f), relative to benefits in the Firefighters' Retirement
4 System; to provide with respect to payment of benefits if a member dies prior to
5 retirement; to provide for a benefit recipient; and to provide for related matters.

6 Notice of intention to introduce this Act has been published
7 as provided by Article X, Section 29(C) of the Constitution
8 of Louisiana.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:2256(A)(3) and (B)(1)(d) are hereby amended and reenacted and
11 R.S. 11:2256(A)(6) is hereby enacted to read as follows:

12 §2256. Benefits; refund of contributions, application, and payment

13 A.

14 * * *

15 (3)(a) Any member who has completed twenty or more years of creditable
16 service and who leaves employment covered by this system before attaining age fifty
17 or any member who has completed twelve or more years of creditable service and
18 who leaves employment covered by this system before attaining age fifty-five may
19 select, at any time prior to thirty days before the date that benefits are scheduled to
20 commence to the member, any optional retirement allowance as provided for in R.S.

1 11:2259; within the same time period allowed above, the member may change the
2 option selected or the beneficiary of the option selected.

3 (b) However, in the event of the death of the member after the selection of
4 the option but prior to the commencement of benefits, the optional benefit will
5 become payable to the option beneficiary, at the time the member would have
6 otherwise begun to receive benefits. ~~In the event that~~ If the member selects neither
7 the maximum regular retirement benefit nor an optional retirement allowance ~~within~~
8 ~~the time period allowed above, Option 2 will be automatically assumed to have been~~
9 ~~selected and the member's designated beneficiary shall be the beneficiary of the~~
10 ~~option.~~ prior to thirty days before the date that benefits are scheduled to commence,
11 the surviving eligible spouse shall be paid benefits as though the member had elected
12 Option 2 of R.S. 11:2259, naming the member's surviving spouse as the option
13 beneficiary. If a member has no surviving eligible spouse, the designated beneficiary
14 shall be the option beneficiary. ~~However, in the event that~~ If a member has no
15 surviving eligible spouse or designated beneficiary, the accumulated contributions
16 of the member shall be refunded to his estate immediately upon receipt of proof of
17 death.

18 * * *

19 (6) For purposes of this Section, "surviving eligible spouse" means the spouse
20 who was married to and living with the member at the time of his death.

21 B.(1) Benefits shall be payable to the surviving eligible spouse or designated
22 beneficiary of a deceased member as specified in the following:

23 * * *

24 (d) If any active contributing member who is eligible for retirement dies
25 before retiring, the member's ~~designated beneficiary~~ surviving eligible spouse shall
26 automatically be paid benefits as though the member had retired on the date of ~~the~~
27 death and elected Option 2 of R.S. 11:2259, naming the member's ~~designated~~
28 ~~beneficiary~~ surviving eligible spouse as the option beneficiary ~~of the option.~~ If a
29 member has no surviving eligible spouse, the designated beneficiary shall be the

1 option beneficiary. This benefit shall be payable even though the member may not
2 have completed one year of membership service at the date of death. Any person
3 entitled to benefits under this Subparagraph may decline such benefits and elect to
4 receive benefits under Subparagraph (a) or (b) of this Paragraph, whichever is
5 applicable.

6 * * *

7 Section 2. R.S. 11:2256(B)(1)(f) is hereby repealed in its entirety.

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)]

HB 23 Engrossed

2017 Regular Session

Carpenter

Abstract: Provides that if a member of the Firefighters' Retirement System (FRS) dies before retirement, his benefit payments are payable to the surviving spouse rather than the designated beneficiary.

Present law provides for payment of benefits if a retirement-eligible member of FRS dies prior to retirement.

Terminated Vested Member

If a member of FRS completes the required number of years of creditable service to qualify for retirement but leaves covered employment, fails to elect a retirement payment option, and dies before reaching retirement age, present law provides that the system will automatically assume Option 2 benefits would have been selected and the member's designated beneficiary shall receive the benefits payable at the time the member would have otherwise begun to receive benefits.

Active Contributing Member

If an active contributing member who is eligible for retirement dies before retiring, present law provides that the member's designated beneficiary shall automatically receive Option 2 benefits.

In these two instances, proposed law changes the automatic benefit recipient from the designated beneficiary to the member's surviving eligible spouse. Proposed law further provides that if the member has no surviving eligible spouse, the designated beneficiary shall be the beneficiary of the option.

Present law defines "surviving eligible spouse" as the spouse who was married to and living with the member at the time of his death. Present law provides that Option 2 is an actuarially reduced benefit allowance that is payable to the member throughout his life and, upon his death, payable to a beneficiary throughout the life of the beneficiary. Proposed law retains present law.

(Amends R.S. 11:2256(A)(3) and (B)(1)(d); Adds R.S. 11:2256(A)(6); Repeals R.S. 11:2256(B)(1)(f))