
HOUSE COMMITTEE AMENDMENTS

2017 Regular Session

Substitute for Original House Bill No. 36 by Representative Jones as proposed by the House Committee on Retirement

This document reflects the content of a substitute bill but is not in a bill form; page numbers in this document DO NOT correspond to page numbers in the substitute bill itself.

To amend and reenact R.S. 11:1762(A) and to repeal R.S. 11:1762(B) and (D), relative to the reemployment of retirees of the Municipal Employees' Retirement System of Louisiana; to provide for retirees to return to work; to provide for benefit suspension; to provide for a supplemental benefit; to provide for membership in the system; and to provide for related matters.

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

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:1762(A) is hereby amended and reenacted to read as follows:

§1762. Reemployment of retirees

A. (1) ~~Whenever a retiree receiving normal retirement benefits becomes reemployed by an employer such that his monthly earnings are equal to or less than the difference between his monthly average final compensation and his monthly retirement benefit, his retirement benefits shall continue and he shall not be a member of the system.~~ If a retiree of this system becomes reemployed by an employer, the retired member's retirement benefit shall be suspended and the retired member shall be a member of the system. Upon his subsequent retirement, the retiree shall receive his original benefit plus a supplemental benefit based on his salary and service earned during reemployment. No change shall be permitted to the original retirement option selected by the member; however, at the end of the period of reemployment, the member shall select any option authorized for any supplemental benefit earned.

(2) ~~Whenever a retiree receiving normal retirement benefits becomes reemployed by an employer such that his monthly earnings exceed the difference between his monthly average final compensation and his monthly retirement benefit, his retirement benefits shall be reduced by the amount his monthly earnings exceed the difference between his monthly average final compensation and his monthly retirement benefit for every month of such employment and he shall not be a member of the system. The additional benefit shall not exceed an amount which, when combined with the original benefit, equals one hundred percent of the average final compensation figure used to compute the additional benefit.~~

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Section 2. R.S. 11:1762(B) and (D) are hereby repealed in their entirety.

Section 3. This Act shall become effective on June 30, 2017; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on June 30, 2017, or on the day following such approval by the legislature, whichever is later.

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 Draft

2017 Regular Session

Abstract: Allows retired members of the Municipal Employees Retirement System of La. (MERS) to return to work with benefit suspension and to receive a supplemental benefit.

Present law provides that when a retired member of MERS receiving normal retirement benefits becomes reemployed by a covered employer, his monthly retirement benefit and monthly earnings (collective monthly benefit) shall not exceed his monthly average compensation prior to retirement. If they do, present law requires that his retirement benefit be reduced as necessary to make his collective monthly benefit equal his monthly average final compensation adjusted to reflect the annual percentage increase or decrease in the Consumer Price Index for the preceding year. Present law further provides that reemployed retirees shall not become members of the system.

For retired members first reemployed on or after July 1, 2016, present law requires that during reemployment, the retiree and his employer shall make required contributions to the retirement system, but the retiree shall receive no additional service credit and shall not accrue any additional benefit in the system. Upon termination, the employee contributions paid during reemployment shall, upon application, be refunded to the retiree without interest. MERS retains the employer contribution and interest on contributions.

Proposed law repeals present law and provides that if a retiree returns to work, his retirement benefit shall be suspended, and the retired member shall become a member of the system and

accrue a supplemental benefit. Upon subsequent retirement, the retired member shall again receive his original retirement benefit plus a supplemental benefit based on his salary and service earned during reemployment. Proposed law provides that no change shall be permitted to the original retirement option selected by the member, but the member may select an option authorized by present law for any supplemental benefit.

Proposed law limits the supplemental benefit so that it shall not exceed the amount which, when combined with the original benefit, equals 100% of the average final compensation figure used to compute the additional benefit.

Effective June 30, 2017.

(Amends R.S. 11:1762(A); Repeals R.S. 11:1762(B) and (D))