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## DIGEST

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HB 31 Original

2018 Regular Session

Pearson

**Abstract:** Relative to the Municipal Employees' Retirement System of La. (MERS), provides options for a retired member's actuarially reduced benefit to increase to the maximum benefit if the designated beneficiary predeceases the retired member.

Present law allows a member of MERS to elect, upon application for retirement, to receive his full benefit payable throughout his life (Option 1), or an actuarially reduced benefit payable throughout his life with one of the following provisions:

- (1) Upon his death the amount of his reduced benefit is paid to a designated beneficiary through the beneficiary's lifetime.
- (2) Upon his death, one-half the amount of his reduced benefit is paid to a designated beneficiary through the beneficiary's lifetime.
- (3) Some other benefit or benefits shall be paid to the member or the designated beneficiary, provided the other benefits, together with the reduced retirement allowance, shall be certified by the actuary to be actuarially equivalent to his retirement allowance and shall be approved by the board.

Present law prohibits a retiree from changing his designated beneficiary. Prohibits changes in the option selected by the member, other than to correct administrative error, after 60 days from receipt of retirement application by the board.

Proposed law retains present law and adds the following two options:

- (1) Upon his death the amount of his reduced benefit is paid to a designated beneficiary through the beneficiary's lifetime. If the designated beneficiary dies before the retiree dies, the benefits payable to the retiree shall be increased to the Option 1 benefit effective on the first day of the next month following the death of the designated beneficiary.
- (2) Upon his death one-half the amount of his reduced benefit is paid to a designated beneficiary through the beneficiary's lifetime. If the designated beneficiary dies before the retiree dies, the benefits payable to the retiree shall be increased to the Option 1 benefit effective on the first day of the next month following the death of the designated beneficiary.

Both options require the retiree to notify the system of the death of the beneficiary and furnish to the

system the beneficiary's death certificate.

Effective July 1, 2018.

(Amends R.S. 11:1757(A))