2018 Regular Session

HOUSE BILL NO. 28

BY REPRESENTATIVE PEARSON

RETIREMENT/MUNICIPAL EMP: Provides for the vesting period for members of the Municipal Employees' Retirement System of Louisiana

1	AN ACT
2	To amend and reenact R.S. 11:1760(A)(introductory paragraph) and to enact R.S. 11:1789.6
3	and 1808.6, relative to members of the Tier 2 plans of the Municipal Employees'
4	Retirement System of Louisiana; to provide for the vesting period of such members;
5	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. 11:1760(A)(introductory paragraph) is hereby amended and
11	reenacted and R.S. 11:1789.6 and 1808.6 are hereby enacted to read as follows:
12	§1760. Vesting
13	A. A Except as provided in R.S. 11:1789.6 or 1808.6, a member who
14	withdraws from active service on or after the revision date prior to becoming eligible
15	for retirement, having at least ten years of creditable service, and having received no
16	refund of his accumulated contributions, shall be entitled to receive a retirement
17	allowance to commence on his earliest normal retirement date.
18	* * *

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	<u>§1789.6. Vesting</u>		
2	A. A member of MERS Plan A Tier 2 who withdraws from active service		
3	prior to becoming eligible for retirement, who has at least seven years of creditable		
4	service, and who has received no refund of his accumulated contributions, shall		
5	receive a retirement allowance to commence on his earliest normal retirement date.		
6	(1) Such deferred retirement allowance shall be computed according to the		
7	provisions of this Part based on final compensation and creditable service at date of		
8	withdrawal.		
9	(2) During the period from the member's date of withdrawal from service to		
10	the member's earliest normal retirement date, he shall not be considered a member		
11	and therefore shall not be entitled to any benefits due a member. Upon retirement		
12	he may exercise all rights and privileges of a retired member.		
13	B. Should a vested terminated member return to active employment, he shall		
14	become a member and shall contribute at the current contribution rate.		
15	* * *		
16	<u>§1808.6. Vesting</u>		
17	A. A member of MERS Plan B Tier 2 who withdraws from active service		
18	prior to becoming eligible for retirement, who has at least seven years of creditable		
19	service, and who has received no refund of his accumulated contributions, shall		
20	receive a retirement allowance to commence on his earliest normal retirement date.		
21	(1) Such deferred retirement allowance shall be computed according to the		
22	provisions of this Part based on final compensation and creditable service at date of		
23	withdrawal.		
24	(2) During the period from the member's date of withdrawal from service to		
25	the member's earliest normal retirement date, he shall not be considered a member		
26	and therefore shall not be entitled to any benefits due a member. Upon retirement		
27	he may exercise all rights and privileges of a retired member.		
28	B. Should a vested terminated member return to active employment, he shall		
29	become a member and shall contribute at the current contribution rate.		

- 1 Section 2. This Act shall become effective on July 1, 2018; if vetoed by the governor
- 2 and subsequently approved by the legislature, this Act shall become effective on July 1,
- 3 2018, 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 28 Engrossed	2018 Regular Session	Pearson
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Abstract: Reduces the vesting period for Tier 2 members of the Municipal Employees' Retirement System of La. (MERS) from 10 years to seven years.

<u>Present law</u> provides for two plans within MERS: Plan A and Plan B. Further provides for subplans within each plan: Tier 1 and Tier 2. The Tier 2 subplans of Plan A and Plan B apply to members whose first employment making them eligible for membership in MERS occurred on or after Jan. 1, 2013.

<u>Present law</u> provides that a member of MERS Plan A or B who withdraws from active service prior to becoming eligible for retirement, who has at least 10 years of creditable service (the vesting period), and who has received no refund of his accumulated contributions, shall receive a retirement allowance beginning on his earliest normal retirement date.

<u>Proposed law</u> reduces the vesting period for a Tier 2 member of MERS Plan A or B from 10 years to seven years.

Effective July 1, 2018.

(Amends R.S. 11:1760(A)(intro. para.); Adds R.S. 11:1789.6 and 1808.6)