

2018 Regular Session

HOUSE BILL NO. 31

BY REPRESENTATIVE PEARSON

RETIREMENT/MUNICIPAL EMP: Provides for the benefit payable to retired member of the Municipal Employees' Retirement System of Louisiana upon death of beneficiary

1 AN ACT

2 To amend and reenact R.S. 11:1757(A), relative to benefit payments to members of the
3 Municipal Employees' Retirement System of Louisiana; to provide for the benefit
4 payable to a retired member upon death of a beneficiary; to provide for the effective
5 date of a payment adjustment; to provide for notice of death of a beneficiary; and to
6 provide for related matters.

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

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 11:1757(A) is hereby amended and reenacted to read as follows:

12 §1757. Mode of payment options

13 A. Upon application for retirement any member may elect to receive his
14 benefit in a retirement allowance payable throughout his life, or he may elect at that
15 time to receive the actuarial equivalent of his retirement allowance in a reduced
16 retirement allowance payable throughout life, with the provision that:

17 Option 2. Upon his death his reduced retirement allowance shall be
18 continued throughout the life of and paid to the person he nominated by written
19 designation duly acknowledged and filed with the board at the time of his retirement.

1 Option 3. Upon his death one-half of his reduced retirement allowance shall
2 be continued throughout the life of and be paid to the person he nominated by written
3 designation duly acknowledged and filed with the board at the time of his retirement.

4 Option 4. Some other benefit or benefits shall be paid either to the member
5 or to the person or persons he nominated, provided the other benefit or benefits,
6 together with the reduced retirement allowance shall be certified by the actuary to
7 be of equivalent actuarial value to his retirement allowance and shall be approved by
8 the board.

9 Option 4.2. Upon his death his reduced retirement allowance shall be
10 continued throughout the life of and paid to the person he nominated by written
11 designation duly acknowledged and filed with the board at the time of his retirement.
12 If the designated beneficiary dies before the retiree dies, the benefits payable to the
13 retiree shall be increased to the amount the retiree would have received had the
14 retiree selected the maximum benefit, and the retiree's benefit shall change to the
15 maximum benefit effective on the first day of the next month following the death of
16 the designated beneficiary. The retiree shall notify the system of the death of the
17 beneficiary and furnish to the system the beneficiary's death certificate.

18 Option 4.3. Upon his death one-half of his reduced retirement allowance
19 shall be continued throughout the life of and be paid to the person he nominated by
20 written designation duly acknowledged and filed with the board at the time of his
21 retirement. If the designated beneficiary dies before the retiree dies, the benefits
22 payable to the retiree shall be increased to the amount the retiree would have
23 received had the retiree selected the maximum benefit, and the retiree's benefit shall
24 change to the maximum benefit effective on the first day of the next month following
25 the death of the designated beneficiary. The retiree shall notify the system of the
26 death of the beneficiary and furnish to the system the beneficiary's death certificate.

27

* * *

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 31 Engrossed

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))