

ACT No. 124

2020 Regular Session

HOUSE BILL NO. 18

BY REPRESENTATIVE BACALA

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AN ACT

To amend and reenact R.S. 11:2220(G), 2221(C) and (E)(1)(a), 2225(A)(1), 2225.4(B) and (C)(1)(a), and 2227(B)(1)(introductory paragraph) and (b), (G), and (J), relative to the Municipal Police Employees' Retirement System; to provide relative to employer and employee contributions; to provide for suspension of benefit payments and extension of Deferred Retirement Option Plan participation period under certain circumstances; to provide with regard to interest and penalties for delinquent contributions; 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. 11:2220(G), 2221(C) and (E)(1)(a), 2225(A)(1), 2225.4(B) and (C)(1)(a), and 2227(B)(1)(introductory paragraph) and (b), (G), and (J) are hereby amended and reenacted to read as follows:

§2220. Benefits; contribution limit

* * *

G. The retirement benefits provided by this Section shall not annually exceed one hundred percent of average final compensation, and when a member has earned benefits equal to one hundred percent of his average final compensation, no further contributions shall be required of him. ~~However,~~ the employer shall continue to pay to the system the employer's contribution. However, if a member earns benefits equal to or greater than one hundred percent of his average final compensation on or

1 after July 1, 2021, the employer and employee shall continue to pay their respective
2 contributions to the system.

3 * * *

4 §2221. Deferred Retirement Option Plan

5 * * *

6 C. The duration of participation in the plan shall be specified and shall not
7 exceed three years. However, if employer contributions on behalf of a participant
8 are suspended during the participation period as a result of interruption of
9 employment, benefit payments into the participant's subaccount within the plan shall
10 be suspended until payment of employer contributions is restored, and the member's
11 participation period shall be extended by the number of months his benefit payments
12 were suspended. In such a case, the participation period may exceed three calendar
13 years but shall not exceed thirty-six nonconsecutive months of participation.

14 * * *

15 E.(1)(a) Upon the effective date of the commencement of participation in the
16 plan, membership in the system shall terminate and neither employee nor employer
17 contributions shall be payable, except that for employees who commence
18 participation in the plan on or after July 1, 2021, employer contributions shall
19 continue to be payable.

20 * * *

21 §2225. Administration

22 A.(1) The general administration and responsibility for the proper operation
23 of the retirement system and for making effective the provisions of this Chapter are
24 hereby vested in a board of trustees which shall be organized immediately after a
25 majority of the trustees provided for in this Section shall have qualified and taken the
26 oath of office. The board of trustees may make, amend, and promulgate rules and
27 otherwise provide for the establishment and maintenance of the system as authorized
28 by this Title.

29 * * *

1 §2225.4. Unfunded accrued liability; payment by employer

2 * * *

3 B.(1) Any amount due pursuant to Subsection A of this Section shall be
4 determined by the actuary employed by the system and shall be amortized over
5 fifteen years in equal payments with interest at the system's valuation interest rate.
6 Payments for withdrawals that occur on or after July 1, 2018, shall be payable
7 beginning July first of the second fiscal year following the ~~withdrawal~~ determination
8 by the actuary and in the same manner as regular payroll payments to the system.
9 Beginning July first of the fiscal year following the withdrawal, interest shall accrue
10 at the system's actuarial valuation rate, compounded annually.

11 (2) If the number of participating employees of an employer subject to
12 Paragraph (A)(2) of this Section returns to at least the number of participating
13 employees as of the June thirtieth immediately preceding the withdrawal, the
14 payments required by this Section shall cease on the July first following the
15 determination by the actuary that a sufficient increase in participating employees has
16 occurred, and no further payments shall be due with respect to the withdrawal. Any
17 payments made pursuant to this Section ~~will~~ shall be credited as an offset of any
18 amounts due by the employer attributable to any subsequent withdrawal that occurs
19 within fifteen years of the payments.

20 C.(1) If an employer fails to make a payment timely, the amount due shall
21 be collected in any of the following manners:

22 (a) By action in a court of competent jurisdiction against the delinquent
23 employer. The amount due shall include interest calculated at the system's actuarial
24 valuation rate, compounded annually. The employer shall also be liable for any legal
25 and actuarial fees incurred by the system in the collection of amounts pursuant to this
26 Section.

27 * * *

1 §2227. Method of financing

2 * * *

3 B. Annuity savings fund:

4 The annuity savings fund shall be the fund in which shall be accumulated
5 contributions from the compensation of members to provide for their annuities.

6 Contributions to the annuity savings fund shall be made as follows:

7 (1) Each municipality shall make deductions from any salary or wages
8 excluding overtime paid by them to any member of this system in accordance with
9 the provisions of R.S. 11:62(6) on the earnable compensation paid him in each and
10 every payroll. All employers shall report separately the amount of compensation
11 paid for overtime on their monthly contribution reports.

12 * * *

13 (b) In the event the reduced salary paid by the municipality is not sufficient
14 to cover the deduction of employee contributions equal to that which would have
15 been deducted had the member not begun receiving worker's compensation
16 payments, the member may elect to pay the deficit to make whole the amount due
17 each and every payroll period directly to the municipality to be forwarded to the
18 retirement system. If the member does not elect to pay the deficit to make whole the
19 amount that would have been deducted had he not begun receiving worker's
20 compensation, that member, for such periods, shall receive service credit for
21 eligibility determination purposes only and not for computation of benefits.
22 Beginning on July 1, 2021, if the member does not pay the deficit to make whole the
23 amount that would have been deducted pursuant to this Section for service each and
24 every pay period, the member shall not receive service credit for the period in which
25 the deficit was not paid.

26 * * *

1 G. The deferred retirement option plan shall be the account in which ~~shall~~
 2 ~~be accumulated~~ all payments made pursuant to R.S. ~~11:2221~~ 11:2221(E)(3)
 3 accumulate. Interest shall be credited to the account as provided by R.S.
 4 ~~11:2221(F)(2)~~ 11:2221(G).

* * *

6 J.(1) Should If any municipality or other employer refuse fails to transmit
 7 either employer's contributions or member's contributions within five days after its
 8 their due date, the payment shall be delinquent. As used in this Subsection, "due
 9 date" means the close of the tenth day after the end of the month for which payment
 10 of employer's and member's contributions is applicable or deducted. In addition to
 11 the employer and member contributions owed, the employer shall submit an amount
 12 determined in accordance with Paragraph (2) of this Subsection.

13 (2)(a) Interest charged at the legal rate shall be due from the date the
 14 payment became delinquent.

15 (b) Any employer who becomes delinquent for a period in excess of ninety
 16 days in the collection and remittance of the amounts due as monthly contributions
 17 is also subject to a penalty of twenty-five percent of the aggregate monthly
 18 contributions due.

19 (c) Any employer who becomes delinquent for a period in excess of one
 20 hundred and eighty days in the collection and remittance of the amounts due as
 21 monthly contributions is liable for the greater of the amounts in Subparagraphs (a)
 22 and (b) of this Paragraph and an amount equal to the actuarial cost of a purchase of
 23 the service credit for which contributions were not timely paid calculated by the
 24 system's actuary pursuant to R.S. 11:158(C).

25 (d) The employer that failed to transmit the required contributions in a timely
 26 manner shall also reimburse the system any legal and actuarial fees paid by the
 27 system in the collection of amounts pursuant to this Paragraph.

1 Section 2. This Act shall become effective on July 1, 2020; if vetoed by the governor
2 and subsequently approved by the legislature, this Act shall become effective on July 1,
3 2020, or on the day following such approval by the legislature, whichever is later.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____