

2021 Regular Session

HOUSE BILL NO. 18

BY REPRESENTATIVE RISER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT/SHERIFFS FUND: Creates an Employee Insurance Fund for the Franklin Parish Sheriff's Office

1 AN ACT

2 To enact R.S. 13:5554.6, relative to the payment of group insurance premiums for retired
3 sheriffs and deputy sheriffs in Franklin Parish; to create a permanent fund; to require
4 the depositing of certain monies into the fund; to provide for investment of monies
5 in the fund; to authorize the withdrawal of earnings; to provide for limitations on
6 appropriations from the fund; to provide for audits of the fund; to provide for the
7 membership and election on the investment advisory board; and to provide for
8 related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 13:5554.6 is hereby enacted to read as follows:

11 §5554.6. Franklin Parish; payment of group insurance premiums; retired sheriffs
12 and deputy sheriffs; creation of fund

13 A. There is hereby created the Franklin Parish Retired Employees Insurance
14 Fund, hereinafter referred to as the "FREIF", to fund the payment by the sheriff's
15 office of Franklin Parish of the premium costs for eligible retired sheriffs and retired
16 deputy sheriffs as provided in R.S. 13:5554(S).

17 B. The Sheriff of Franklin Parish may contribute to the FREIF at his
18 discretion.

19 C. Upon recommendation of the board established in Subsection F of this
20 Section, the sheriff of Franklin Parish shall invest at least twenty-five percent in

1 fixed income investments into the FREIF, provided that a minimum of twenty-five
2 percent of the fixed income portion is rated as investment grade by a nationally
3 recognized rating agency.

4 D.(1) The earnings realized on the monies invested pursuant to Subsection
5 C of this Section shall be available for the sheriff to withdraw for the sole purpose
6 of paying the insurance premium costs provided in R.S. 13:5554(S) for retired
7 sheriffs and retired deputy sheriffs of Franklin Parish, legal representation costs for
8 the FREIF Board, or both, provided that no such earnings shall be withdrawn until
9 the amount of principal and accumulated earnings in the FREIF are equal to the sum
10 of one million five hundred thousand dollars.

11 (2) In the event that the total amount of monies derived from deposits
12 provided in Subsection B of this Section and investment earnings fall below the sum
13 of one million five hundred thousand dollars, no earnings shall be withdrawn, and
14 any balance owed for the payment of insurance premium costs as required by R.S.
15 13:5554(S) or legal representation costs for the FREIF Board shall be paid in full
16 from the sheriff's general fund.

17 E. Any financial audit conducted of the sheriff's office of Franklin Parish
18 shall specifically address compliance with the provisions of this Section.

19 F.(1) To provide recommendations concerning the investment of funds as
20 provided in Subsection C of this Section, the sheriff shall establish an investment
21 advisory board consisting of three members as follows:

22 (a) The sheriff or his designee.

23 (b) One retired sheriff or retired deputy sheriff of the department, appointed
24 by the sheriff, who shall serve a term determined by the sheriff.

25 (c) One active deputy sheriff of the department, appointed by the sheriff,
26 who shall serve a term determined by the sheriff.

27 (2) The members of the board shall elect a chairperson at its first board
28 meeting, which shall be held within thirty days after the appointment of board
29 members.

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 18 Original

2021 Regular Session

Riser

Abstract: Creates a permanent fund to pay group insurance premiums for retired sheriffs and deputy sheriffs in Franklin Parish and provides for the deposit of certain monies into the fund, including limitations on investments and withdrawal of funds.

Present law (R.S. 13:5554(S)) applicable to the sheriff's office of Franklin Parish provides that premium costs of group hospital, surgical, medical expense, and dental insurance shall be paid from the sheriff's general fund for any sheriff or deputy sheriff who has retired from the Franklin Parish Sheriff's Office and have either:

- (1) At least 24 years of service and have reached the age of 55.
- (2) At least 30 years of service at any age.

Proposed law retains present law and creates the Franklin Parish Retired Employees Insurance Fund (FREIF), to fund the payment by the Franklin Parish Sheriff's Office for the premium costs of insurance for retired sheriffs and deputy sheriffs as provided in present law.

Proposed law provides that the Sheriff of Franklin Parish may contribute to the FREIF at his discretion.

Proposed law provides that the sheriff shall invest at least 25% in fixed income investments into the FREIF, provided that a minimum of 25% of the fixed income portion is rated as investment grade by a nationally recognized rating agency.

Proposed law provides that earnings realized from investments shall be available for the sheriff to withdraw for the purpose of paying the insurance premium costs, provided that no such earnings shall be withdrawn until the amount of principal and accumulated earnings in the FREIF is equal to the sum of \$1.5 million. Provides that if the deposits and earnings on investments falls below \$1.5 million, no earnings shall be withdrawn and any balance owed for the payment of insurance premium costs shall be paid in full from the sheriff's general fund.

Proposed law requires any financial audit by the sheriff's office to comply with all provisions of proposed law.

Proposed law requires the sheriff to establish a three-member investment advisory board consisting of three members as follows:

- (1) The sheriff or his designee.
- (2) One retired sheriff or retired deputy sheriff of the department, appointed by the sheriff, who shall serve a term determined by the sheriff.
- (3) One active deputy sheriff of the department, appointed by the sheriff, who shall serve a term determined by the sheriff.

Proposed law requires the board to meet within 30 days after appointment of members and provides for election of a chairperson at the first meeting of the board.

(Adds R.S. 13:5554.6)