

2021 Regular Session

SENATE BILL NO. 21

BY SENATOR ROBERT MILLS

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

MUNICIPAL EMPLOYEE RET. Provides for the purchase of service and salary credit for members furloughed due to COVID-19. (gov sig)

1 AN ACT

2 To enact R.S. 11:163.2, relative to the Municipal Employees' Retirement System; to provide

3 for credit for involuntary furlough and leave without pay; to provide with respect to

4 the purchase of service and salary credit lost as a result of COVID-related

5 involuntary furlough or leave for certain employees; to provide with respect to

6 payment for service purchased; to provide for limitations; to provide for

7 implementation; to provide for an effective date; and to provide for related matters.

8 Notice of intention to introduce this Act has been published.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:163.2 is hereby enacted to read as follows:

11 **§163.2. Involuntary furlough; service and salary credit; credit for leave**

12 **without pay**

13 **A.(1) Any member of the Municipal Employees' Retirement System of**

14 **Louisiana who, due to the COVID-19 pandemic, was involuntarily furloughed**

15 **without pay due to a reduction-in-force of his employer or was involuntarily**

16 **furloughed or placed on leave without pay may purchase service and salary**

17 **credit for each day of service during the period beginning on April 1, 2020, and**

1 ending on November 30, 2020, that he was furloughed or on such leave if such  
2 service was not credited to his account, subject to the limitations contained in  
3 Subsection B of this Section.

4 (2) A member who purchases service and salary credit pursuant to this  
5 Section shall pay to the system or to his employer the employee and employer  
6 contributions which would have been remitted to the system by his employer if  
7 not for the involuntary furlough or leave without pay. Such contributions, if  
8 paid to the employer, shall be remitted by the employer to the system. The  
9 member shall remit the contributions no later than December 31, 2021.

10 B. Any service and salary credit purchased pursuant to this Section shall  
11 be subject to the following conditions and limitations:

12 (1) There shall be no duplication of service credit.

13 (2) The employer shall certify the loss of service credit was due to the  
14 COVID-19 pandemic.

15 (3) The purchased service and salary credit may not be used for the  
16 purpose of meeting the minimum service requirements for disability retirement.

17 (4) Compensation on which the required contributions for purchase of  
18 service and salary credit are based shall be the rate of compensation in effect for  
19 the last full pay period ending on or before the date the member was furloughed  
20 or placed on leave without pay.

21 (5) The right to purchase service and salary credit pursuant to this  
22 Section shall not apply to routine personnel actions or separations which are not  
23 the direct result of the COVID-19 pandemic.

24 (6) Any dispute arising under the limitations of this Subsection shall be  
25 resolved in the sole and exclusive discretion of the board of trustees of the  
26 retirement system.

27 C. The board of trustees may adopt rules to implement the provisions of  
28 this Section.

29 Section 2. This Act shall become effective upon signature by the governor or, if not

1 signed by the governor, upon expiration of the time for bills to become law without signature  
 2 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 3 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 4 effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Angela L. De Jean.

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## DIGEST

SB 21 Original

2021 Regular Session

Robert Mills

Present law allows any member of a state or statewide retirement system who is furloughed or placed on leave without pay to purchase service and salary credit for each day of service that he was furloughed or on such leave at the actuarial cost.

Proposed law, relative to Municipal Employees' Retirement System of Louisiana (MERSLA), provides that any member, due to the COVID-19 pandemic, was involuntarily furloughed without pay due to a reduction-in-force of his employer or was involuntarily furloughed or placed on leave without pay may purchase service and salary credit for each day of service during the period beginning on April 1, 2020, and ending on November 30, 2020, that he was furloughed or on such leave if such service was not credited to his account, subject to the limitations contained in proposed law.

Proposed law provides that a member who purchases service and salary credit pursuant to proposed law shall pay to the system or to his employer the employee and employer contributions which would have been remitted to the system by his employer if not for the involuntary furlough or leave without pay. Such contributions, if paid to the employer, shall be remitted by the employer to the system. The member shall remit the contributions no later than December 31, 2021.

Proposed law provides that any service and salary credit purchased pursuant to proposed law shall be subject to the following conditions and limitations:

- (1) There shall be no duplication of service credit.
- (2) The employer shall certify the lost service credit was due to the COVID-19 pandemic.
- (3) The purchased service and salary credit may not be used for the purpose of meeting the minimum service requirements for disability retirement.
- (4) Compensation on which the required contributions for purchase of service and salary credit are based shall be the rate of compensation in effect for the last full pay period ending on or before the date the member was furloughed or placed on leave without pay.
- (5) The right to purchase service and salary credit pursuant to proposed law shall not apply to routine personnel actions or separations which are not the direct result of the COVID-19 pandemic.
- (6) Any dispute arising under the limitations of proposed law shall be resolved in the sole and exclusive discretion of the board of trustees of the retirement system.

Proposed law provides that the board of trustees may adopt rules to implement the provisions

of proposed law.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 11:163.2)