

## RÉSUMÉ DIGEST

ACT 36 (SB 21)

2021 Regular Session

Robert Mills

Prior law allowed 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.

New 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 new law.

New 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.

New law provides that any service and salary credit purchased pursuant to new 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 new 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 new law shall be resolved in the sole and exclusive discretion of the board of trustees of the retirement system.

Provides that the board of trustees may adopt rules to implement new law.

Effective upon signature of the governor (June 1, 2021).

(Adds R.S. 11:163.2)