

RÉSUMÉ DIGEST

ACT 139 (HB 25)

2021 Regular Session

Villio

Existing law, applicable to the retirement systems for firefighters, sheriffs, and parish employees, provides that for purposes of calculation of contributions and benefits, compensation means the full amount earned by an employee for a given pay period. However, provides that the following are not included as compensation:

- (1) Overtime unless it is required to be worked in the employee's regular tour of duty.
- (2) Operating expenses.
- (3) Use of automobile or motor vehicles.
- (4) The cost of any insurance paid by the employer.
- (5) Any allowance for expenses incurred as an incident of employment.
- (6) Payments made in lieu of unused annual or sick leave.
- (7) Bonuses, terminal pay, severance pay, or any other type of irregular or nonrecurring payment.

New law makes existing law applicable to the District Attorneys' Retirement System (DARS).

Present law provides that in calculating benefits for a member of DARS, compensation received from the local government is subject to year-over-year increase limits. New law, applicable to members who become eligible to receive a regular retirement benefit on or after July 1, 2021, provides that all compensation is subject to year-over-year increase limits.

Existing law provides that when a retirement system pays a benefit which is not due to a person, the board of trustees shall adjust the amount payable to the correct amount. Authorizes the board to recover any overpayment by reducing the corrected benefit such that the overpayment will be repaid within a reasonable number of months. Requires the board to notify the person of the amount of overpayment and the amount of the adjustment in benefits 30 days prior to any reduction.

New law authorizes DARS to recover an overpayment over not more than 12 months and provides that the director of the board shall notify the person of any reduction. For benefits paid due to administrative error, new law limits the benefits that may be recovered to those paid during the 36-month period immediately preceding the date on which notice of such error is sent. For benefits paid due to fraud, authorizes recovery of the entire amount of overpayment. New law provides for a 10-year prescription period, from the date the system has knowledge of the error, on any such recovery.

New law authorizes the director of DARS to correct administrative errors in benefit payments and to make adjustments relative to such corrections. Requires that documentation of such corrections be submitted to the board of trustees for approval. Authorizes payment of interest on any underpayment of benefits that was due to an administrative error committed by system staff.

Effective July 1, 2021.

(Amends R.S. 11:233(B)(3) and 1581(5); Adds R.S. 11:233(A)(5) and (B)(4)(c) and 1589)