

GREEN SHEET REDIGEST

HB 21

2022 Regular Session

Bacala

RETIREMENT/MUNICIPAL POL: Provides for a funding deposit account for Municipal Police Employees' Retirement System and authorizes the board of trustees of the system to modify required employer contributions

DIGEST

Proposed law establishes a funding deposit account for the Municipal Police Employees' Retirement System (MPERS).

Proposed law authorizes the board of trustees to require an employer contribution rate up to the following limits:

- (1) When the contribution rate is equal or greater than the previous year's rate, the board can set the rate .85% greater than the fiscal year's rate.
- (2) In a fiscal year when the contribution rate is lower than the previous year, the board can set the rate at the otherwise required rate plus .85% plus half the difference between the rates for the two years.

Proposed law requires that excess contributions be applied to reduce the outstanding balance of the oldest amortization base or to cost-of-living adjustments (COLAs).

Proposed law authorizes the board to dedicate a specific amount of the excess contributions, .85% greater than the contribution rate, to fund COLAs.

Proposed law provides funds that a COLA shall be paid only with funds from the funding deposit account and only when funds are sufficient.

Proposed law provides that the board of trustees shall determine the following when granting a COLA:

- (1) Whether the COLA is permanent or nonrecurring.
- (2) Whether the COLA is based on the retiree or survivor's current or original benefit.
- (3) Whether a minimum age is required.
- (4) Whether a retiree or survivor meets minimum period since benefit commencement.

Proposed law provides that COLA payments may not exceed 3% of benefit or be payable to the retiree or survivor until one year since benefit commencement.

Proposed law requires that an adjustment to benefits due to a COLA be made by formal action by the board of trustees.

Effective June 30, 2022.

(Adds R.S. 11:2225.5; repeals R.S. 11:2225(A)(7))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Retirement to the original bill:

- 1. Repeals conflicting provisions of present law regarding use of investment earnings to pay for COLAs.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Retirement to the reengrossed bill

1. Adds effective date.