

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 (FDA) for the Municipal Police Employees' Retirement System (MPERS).

Proposed law authorizes the board of trustees to require additional employer contributions as follows:

- (1) In any year, the board may increase the contribution rate required under present law by 0.85 percentage points.
- (2) In a fiscal year when the contribution rate required under present law is lower than the previous year, the board may increase the rate by the 0.85 percentage points plus half the difference between the rates for the two years.

Proposed law requires the additional employer contributions paid under proposed law to be applied to reduce the outstanding balance of the oldest amortization base or credited to the FDA to provide funding for additional benefits for retirees, survivors, and beneficiaries.

Proposed law authorizes the board to dedicate a specific amount of the additional contributions up to the amount generated by the extra 0.85% to fund the additional benefits.

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

Proposed law provides that a permanent benefit increase shall not exceed 3% of the benefit. Requires one year to have elapsed since benefit commencement for any additional benefit to be payable to a retiree, survivor, or beneficiary.

Proposed law provides that the board of trustees shall determine the following regarding payment of an additional benefit:

- (1) Whether the benefit is permanent or nonrecurring.
- (2) Whether the benefit is based on the current or original benefit.
- (3) Whether a minimum age is required.
- (4) Whether a minimum period beyond the one year since benefit commencement is required.

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

Effective June 30, 2022.

(Adds R.S. 11:2225.5; repeals R.S. 11:107.2, 243(A)(8), 246(A)(8), and 2225(A)(7))

Summary of Amendments Adopted by House

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

1. Repeal 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. Add effective date.

Summary of Amendments Adopted by Senate

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

1. Make technical changes.
2. Clarify terminology.
3. Specify that a nonrecurring lump-sum payment may be paid from the FDA only once in a three-year period.