

ACT No. 360

2022 Regular Session

HOUSE BILL NO. 21

BY REPRESENTATIVE BACALA

1 AN ACT

2 To enact R.S. 11:2225.5 and to repeal R.S. 11:107.2, 243(A)(8), 246(A)(8), and 2225(A)(7),
3 relative to the Municipal Police Employees' Retirement System; to establish a
4 funding deposit account; to provide for source of funding therefor; to authorize the
5 board of trustees to adjust employer contribution rates; to provide for additional
6 payments to retirees, survivors, and beneficiaries; to provide for funding of,
7 eligibility for, and payment of the additional payments; to provide for payment of
8 system liabilities; and to provide for related matters.

9 Notice of intention to introduce this Act has been published
10 as provided by Article X, Section 29(C) of the Constitution
11 of Louisiana.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 11:2225.5 is hereby enacted to read as follows:

14 §2225.5. Funding deposit account

15 A.(1) There is hereby established a funding deposit account, hereafter in this
16 Section referred to as the "account". The account shall be credited and charged
17 solely as provided in this Section.

18 (2) The balance in the account shall be set equal to zero as of July 1, 2022.

19 (3) The funds in the account shall earn interest annually at the board
20 approved valuation interest rate, and the interest shall be credited to the account once
21 a year.

1 B.(1) Notwithstanding any provision of R.S. 11:103 or 104 to the contrary,
2 for fiscal years beginning on or after July 1, 2023, the board of trustees may require
3 a net direct contribution rate of up to the following applicable limit:

4 (a) For a year in which the employer contribution rate determined under R.S.
5 11:103 is equal to or greater than the rate determined under R.S. 11:103 for the
6 previous year, the rate determined under R.S. 11:103 plus eighty-five hundredths of
7 one percentage point.

8 (b) For a year in which the employer contribution rate determined under R.S.
9 11:103 is lower than the rate determined under R.S. 11:103 for the previous year, the
10 rate determined under R.S. 11:103 plus eighty-five hundredths of one percentage
11 point plus one-half of the difference between the rates determined for the two years.

12 (2) For any fiscal year in which the board of trustees sets the direct employer
13 contribution rate higher than the rate determined under R.S. 11:103, excess
14 contributions resulting from the higher rate shall be used as provided in Paragraph
15 (C)(1) of this Section or transferred to the account as provided in Paragraph (C)(2)
16 of this Section.

17 C.(1) Except as provided in Paragraph (2) of this Subsection, any excess
18 contributions resulting from the board's exercise of its authority pursuant to
19 Paragraph (B)(1) of this Section shall be applied, until exhausted, exclusively to
20 reduce the outstanding balance of the oldest positive amortization base; however, the
21 future payments for such amortization base shall continue to be made according to
22 the original amortization schedule established in compliance with the requirements
23 of Article X, Section 29(E)(3) of the Constitution of Louisiana and R.S. 11:103 until
24 the outstanding balance is fully liquidated.

25 (2) The board of trustees may dedicate a specific amount of excess
26 contributions, up to the amount generated by setting the rate equal to eighty-five
27 hundredths of one percentage point more than the rate determined under R.S. 11:103,
28 to be used solely to pay additional benefits to retirees, survivors, and beneficiaries.
29 The dedicated amount of funds shall be credited to the account.

1 D. Beginning with the June 30, 2024, valuation, the board of trustees may,
2 in any fiscal year, direct that the account be charged to provide additional benefits
3 to retirees, survivors, and beneficiaries as provided in Subsection F of this Section.

4 E. The monies in the account shall not be considered system assets for
5 purposes of calculating employer contributions.

6 F.(1) Funding for additional benefits for retirees, survivors, and beneficiaries
7 shall be provided only from the funding deposit account and only when sufficient
8 funds are available as determined by the actuary. The additional benefits shall be
9 payable only as determined by the board of trustees, and the board shall determine
10 the following:

11 (a) Whether the additional benefit will be a nonrecurring lump-sum payment
12 or a permanent benefit increase; provided, however, that any additional benefit paid
13 under the provisions of this Subsection shall be in the form of a nonrecurring lump
14 sum no more frequently than once in a three-year period.

15 (b) Whether the additional benefit will be calculated is based upon the
16 original or current benefit.

17 (c) Whether a minimum age will be required to receive an additional benefit.

18 (d) Whether a minimum period since benefit commencement longer than the
19 period required in Subparagraph (2)(b) of this Subsection will be required to receive
20 an additional benefit.

21 (2)(a) The amount of any permanent benefit increase shall not exceed three
22 percent of the benefit to be used in the calculation in accordance with Subparagraph
23 (1)(b) of this Subsection.

24 (b) No additional benefit shall be payable until at least one year has elapsed
25 since benefit commencement.

26 (3) Approval of additional benefits for retirees, survivors, and beneficiaries
27 as provided in this Subsection shall be made by formal action of the board of trustees
28 and considered amendments to the plan provisions of the retirement system.

1 Section 2. R.S. 11:107.2, 243(A)(8), 246(A)(8), and 2225(A)(7) are hereby repealed
2 in their entirety.

3 Section 3. This Act shall become effective on June 30, 2022; if vetoed by the
4 governor and subsequently approved by the legislature, this Act shall become effective on
5 the day following such approval by the legislature or June 30, 2022, whichever is later.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____