

# ACT No. 673

2024 Regular Session

HOUSE BILL NO. 43

BY REPRESENTATIVE BACALA

1 AN ACT

2 To amend and reenact R.S. 11:2214(A)(2)(a) and (d)(ii), 2220(B)(2)(e), 2221(C) and  
3 (I)(1)(introductory paragraph), 2225(A)(3)(a), 2225.4(A)(1) and (B)(1), 2227(A)  
4 and (B)(1), 2241.4(A)(3), and 2242.4(3), relative to the Municipal Police Employees'  
5 Retirement System; to require employers to submit various member enrollment  
6 documents and contribution reports to the system; to provide deadlines and related  
7 penalties; to provide relative to the system's board of trustees; to provide for benefits;  
8 to provide for deferred retirement option plan; to provide for eligibility; to provide  
9 relative to unfunded accrued liability payments by municipalities that dissolve or  
10 substantially reduce their police departments; to provide for an effective date; and  
11 to provide for related matters.

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

15 Be it enacted by the Legislature of Louisiana:

16 Section 1. R.S. 11:2214(A)(2)(a) and (d)(ii), 2220(B)(2)(e), 2221(C) and  
17 (I)(1)(introductory paragraph), 2225(A)(3)(a), 2225.4(A)(1) and (B)(1), 2227(A) and (B)(1),  
18 2241.4(A)(3), and 2242.4(3) are hereby amended and reenacted to read as follows:

1 §2214. Membership

2 A. The membership of the retirement system shall be composed as follows:

3 (1) All persons who are members on September 7, 1977, shall remain  
4 members as a condition of their employment.

5 (2)(a)(i) Except as provided further in this Paragraph, any person who  
6 becomes an employee as defined in R.S. 11:2213 on and after September 9, 1977,  
7 shall become a member as a condition of his employment. However, a person who  
8 becomes an employee before July 1, 2021, shall become a member only if he is  
9 under fifty years of age at the date of employment.

10 (ii) An employer shall submit to the retirement system for each member it  
11 employs a fully completed membership enrollment form, a copy of the birth  
12 certificate and Social Security card for each member and his beneficiaries, and a  
13 fully completed physical examination form pursuant to Subparagraph (d) of this  
14 Paragraph by the later of ninety days after the member became eligible for  
15 membership or October 1, 2024.

16 (iii) If a member submits an affidavit pursuant to R.S. 11:157 opting out of  
17 membership, such affidavit shall not be effective until the date that all documents  
18 specified in Item (ii) of this Subparagraph and pertaining to the member are provided  
19 to the retirement system.

20 \* \* \*

21 (d)

22 \* \* \*

23 (ii) The submission to a physical examination and the execution of any  
24 waivers of preexisting conditions or history shall be completed and all  
25 documentation related thereto received by the system ~~within six months after the~~  
26 ~~date of employment~~ by the deadline provided in Item (a)(ii) of this Paragraph. The  
27 employee is then a member of the system from the date of employment. If the  
28 documentation for an employee whose employment making him eligible for  
29 membership in the system occurs on or before June 30, 2021, is not received by the  
30 system within the allotted time period, the employee shall be a member for purposes

1 of receiving regular benefits from the date of employment but shall not be eligible  
 2 for disability benefits until the documentation has been received by the system  
 3 except as provided in Item (iii) of this Subparagraph. If the system does not receive  
 4 the documentation within the allotted time period for an employee whose  
 5 employment making him eligible for membership in the system occurred after June  
 6 30, 2021, the employee shall be a member eligible to begin vesting for regular  
 7 benefits from the date of employment but shall not be eligible to begin vesting for  
 8 disability benefits for an injury not incurred in the line of duty until the  
 9 documentation is received.

10 \* \* \*

11 §2220. Benefits; contribution limit

12 \* \* \*

13 B. Benefits shall be payable to any survivor of an active contributing member  
 14 who dies before retirement or a disability retiree who dies after retirement as  
 15 specified in the following:

16 \* \* \*

17 (2)

18 \* \* \*

19 (e) Qualifying survivor's benefits are payable upon application therefor and  
 20 become effective as of the day following the death of the member if the fully  
 21 completed application is received by the system by the later of September 20, 2024,  
 22 or one hundred and twenty days after the date of death. If the system does not  
 23 receive a fully completed application by this deadline, the benefits become effective  
 24 on the date the fully completed application is received and become payable not later  
 25 than the first month following thirty days from the date that the system receives the  
 26 fully completed application for benefits. If survivor benefits are being paid on behalf  
 27 of a deceased member at the time a survivor applies for benefits, that survivor's  
 28 benefits shall become effective and payable on the first day of the next month  
 29 following sixty days from the date that the system receives the survivor's completed  
 30 application for benefits.

31 \* \* \*

1 §2221. Deferred Retirement Option Plan

2 \* \* \*

3 C. The duration of participation in the plan shall be specified and shall not  
4 exceed ~~three~~ five years. However, if employer contributions on behalf of a  
5 participant are suspended during the participation period as a result of interruption  
6 of employment, benefit payments into the participant's subaccount within the plan  
7 shall be suspended until payment of employer contributions is restored, and the  
8 member's participation period shall be extended by the number of months his benefit  
9 payments were suspended. In such a case, the participation period may exceed ~~three~~  
10 five calendar years but shall not exceed ~~thirty-six~~ sixty nonconsecutive months of  
11 participation.

12 \* \* \*

13 I.(1) If a participant dies ~~during the period of participation in the plan~~, the  
14 following shall apply:

15 \* \* \*

16 §2225. Administration

17 A.

18 \* \* \*

19 (3)(a) If a vacancy occurs in the office of a trustee, the vacancy shall be  
20 filled for the unexpired term in the same manner as the office was previously filled.  
21 If a member of the board of trustees elects to participate in the deferred retirement  
22 option plan he shall continue to serve as a member of the board of trustees until the  
23 expiration of the term for which he was elected or until his employment terminates,  
24 whichever occurs first. If an elected member of the board of trustees with no more  
25 than two years left in his term becomes a retiree of the system, he may continue to  
26 serve as a member of the board of trustees until the expiration of the term for which  
27 he was elected. If a member of the board of trustees serving in a Chiefs District I or  
28 Chiefs District II position with no more than two years left in his term ceases to be  
29 a chief of police but remains a member of the system, he may continue to serve as  
30 a member of the board of trustees until the expiration of the term for which he was

1 ~~elected.~~ All members of the board of trustees ~~elected to terms beginning on or after~~  
 2 ~~November 2, 1987,~~ shall be employees of the district from which they are elected  
 3 and shall be elected under rules of the board of trustees by the members employed  
 4 in that district. Every active member shall be eligible to vote for the chief and  
 5 nonchief positions on the board of trustees in the districts which include the parish  
 6 of their employment.

7 \* \* \*

8 §2225.4. Unfunded accrued liability; payment by employer

9 A.(1) If ~~any an~~ employer ~~participating in the system~~ fully dissolves its police  
 10 department ~~and contracts for police services with another entity,~~ the employer shall  
 11 remit to the system, beginning the July first immediately following the date of  
 12 dissolution, that portion of the unfunded accrued liability existing on the June  
 13 thirtieth immediately prior to the date of dissolution of the police department,  
 14 attributable to such employer and calculated using the allocation percentage included  
 15 in the prior fiscal year's employer pension report produced according to requirements  
 16 established by the Governmental Accounting Standards Board. The amount due  
 17 pursuant to the provisions of this Paragraph shall include interest at the system's  
 18 valuation interest rate.

19 \* \* \*

20 B.(1) Any amount due pursuant to Subsection A of this Section shall be  
 21 determined by the actuary employed by the system and shall be amortized over  
 22 fifteen years in equal monthly payments with interest at the system's valuation  
 23 interest rate. ~~Payments for withdrawals that occur on or after July 1, 2018;~~ Such  
 24 payments shall be payable to the system electronically beginning July first of the  
 25 second fiscal year following the determination by the actuary and in the same  
 26 manner as regular payroll payments to the system. Beginning July first of the fiscal  
 27 year following the withdrawal, interest shall accrue at the system's actuarial  
 28 valuation rate, compounded annually.

29 \* \* \*

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1           §2227. Method of financing

2                   A.(1) All of the assets of the retirement system shall be credited according  
3 to the purpose for which they are held to one of five funds, namely, the Annuity  
4 Savings Fund, the Annuity Reserve Fund, the Pension Accumulation Fund, the  
5 Expense Fund, and the deferred retirement option plan account.

6                   (2)(a) Except as provided in Subparagraph (d) of this Paragraph, each  
7 mandatory reporter shall electronically submit a contributions report to the  
8 retirement system no later than the fifteenth day of each month. Each mandatory  
9 reporter shall report the amount of earnable compensation per employee and shall  
10 separately report state supplemental pay and the amount of compensation paid for  
11 overtime. The report shall include other information prescribed by the board of  
12 trustees. A mandatory reporter that did not employ any eligible employees during  
13 the previous month shall submit a contributions report certifying that fact to the  
14 system.

15                   (b) If a mandatory reporter submits a contributions report that is in error as  
16 to the earnable compensation of any member, such an error results in an  
17 overpayment of benefits by the system, and the system is unable to recover through  
18 reduction of the member's benefits, the mandatory reporter is liable to the system for  
19 the amount of overpayment and shall reimburse the system for the full amount of all  
20 such overpayments within thirty days after notification of the discovery of the error  
21 or overpayment.

22                   (c) For purposes of this Paragraph, "mandatory reporter" means any  
23 municipality that, within the previous five fiscal years, employed any police officer  
24 or chief of police, regardless of whether such person met the definition of employee.

25                   (d) A mandatory reporter that employed no employee during the previous  
26 and current fiscal year shall only be required to electronically submit an annual  
27 contributions report to the retirement system and certify that it employed no  
28 employee in the current fiscal year no later than the fifteenth day of July of the  
29 following fiscal year.

1                   B. Annuity savings fund: The annuity savings fund shall be the fund in  
2                   which shall be accumulated contributions from the compensation of members to  
3                   provide for their annuities. Contributions to the annuity savings fund shall be made  
4                   as follows:

5                   (1)(a) Each municipality shall make deductions from any salary or wages  
6                   excluding overtime paid by them to any member of this system in accordance with  
7                   the provisions of R.S. 11:62(6) on the earnable compensation paid him in each and  
8                   every payroll. ~~All employers shall report separately the amount of compensation~~  
9                   ~~paid for overtime on their monthly contribution reports.~~

10                  ~~(a)~~ (b) In the event a member begins receiving worker's compensation  
11                  payments and the municipality reduces the salary being paid by them, the  
12                  municipality shall deduct contributions from the reduced salary being paid and state  
13                  supplemental pay in an amount equal to that which would have been deducted had  
14                  the member not received worker's compensation payments and continued to receive  
15                  his full salary by the municipality and state supplemental pay, provided the reduced  
16                  salary is sufficient to cover the full deduction.

17                  ~~(b)~~ (c) In the event the reduced salary paid by the municipality is not  
18                  sufficient to cover the deduction of employee contributions equal to that which  
19                  would have been deducted had the member not begun receiving worker's  
20                  compensation payments, the member may elect to pay the deficit to make whole the  
21                  amount due each and every payroll period directly to the municipality to be  
22                  forwarded to the retirement system. If the member does not elect to pay the deficit  
23                  to make whole the amount that would have been deducted had he not begun  
24                  receiving worker's compensation, that member, for such periods, shall receive  
25                  service credit for eligibility determination purposes only and not for computation of  
26                  benefits. Beginning on July 1, 2021, if the member does not pay the deficit to make  
27                  whole the amount that would have been deducted pursuant to this Section for service  
28                  each and every pay period, the member shall not receive service credit for the period  
29                  in which the deficit was not paid.

30                                   \*       \*       \*

1 §2241.4. Eligibility for retirement

2 A. Any member of this subplan shall be eligible for retirement if he has:

3 \* \* \*

4 (3) Twenty years of service credit at any age, exclusive of unused annual and  
5 sick leave and military service other than qualified military service as provided in 26  
6 U.S.C. 414(u) earned on or after December 12, 1994. Any person retiring under this  
7 Paragraph shall have his benefit, inclusive of military service credit and allowable  
8 unused annual and sick leave, actuarially reduced. Any member retiring under this  
9 Paragraph shall have his benefit actuarially reduced from the earliest age that he  
10 would normally become eligible for a regular retirement benefit under Paragraph ~~(1)~~  
11 ~~or~~ (2) of this Subsection based upon his years of service as of the date of retirement.  
12 Any employee who elects to retire under the provisions of this Paragraph shall not  
13 be eligible to participate in the Deferred Retirement Option Plan provided by R.S.  
14 11:2221 or the Initial Benefit Option provided by R.S. 11:2224(F).

15 \* \* \*

16 §2242.4. Eligibility for retirement

17 Any member of this subplan shall be eligible for retirement if he has:

18 \* \* \*

19 (3) Twenty years of service credit at any age, exclusive of unused annual and  
20 sick leave and military service other than qualified military service as provided in 26  
21 U.S.C. 414(u) earned on or after December 12, 1994. Any person retiring under this  
22 Paragraph shall have his benefit, inclusive of military service credit and allowable  
23 unused annual and sick leave, actuarially reduced. Any member retiring under this  
24 Paragraph shall have his benefit actuarially reduced from the earliest age that he  
25 would normally become eligible for a regular retirement benefit under Paragraph ~~(1)~~  
26 ~~or~~ ~~(2)~~ (4) of this Section based upon his years of service as of the date of retirement.  
27 Any employee who elects to retire under the provisions of this Paragraph shall not  
28 be eligible to participate in the Deferred Retirement Option Plan provided by R.S.  
29 11:2221 or the Initial Benefit Option provided by R.S. 11:2224(F).

30 \* \* \*



1           Section 2. This Act shall become effective on July 1, 2024; if vetoed by the governor  
2           and subsequently approved by the legislature, this Act shall become effective on July 1,  
3           2024, or on the day following such approval by the legislature, whichever is later.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_