

2026 Regular Session

HOUSE BILL NO. 49

BY REPRESENTATIVE BACALA

RETIREMENT/STATEWIDE SYS: Provides relative to the Municipal Police Employees' Retirement System and the Firefighters' Retirement System

1 AN ACT

2 To amend and reenact R.S. 11:2225.4(A)(2)(b) and (c) and (B) and 2262.1(A)(2)(b) and (B)
3 and to enact R.S. 11:157(E), 2225.4(A)(2)(d), (D)(3), and (E) and 2262.1(A)(2)(c),
4 (D)(3), and (E), relative the Municipal Police Employees' Retirement System and the
5 Firefighters' Retirement System; to provide relative to partial dissolution of a police
6 department or a fire department; to provide relative to the payment of unfunded
7 accrued liability by employers; to provide for certain determinations; to provide for
8 timing of payments; to provide for definitions; to provide relative to employer
9 contributions; and to provide for related matters.

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

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. R.S. 11:2225.4(A)(2)(b) and (c) and (B) and 2262.1(A)(2)(b) and (B) are
15 hereby amended and reenacted and R.S. 11:157(E), 2225.4(A)(2)(d), (D)(3), and (E), and
16 2262.1(A)(2)(c), (D)(3), and (E) are hereby enacted to read as follows:

17 §157. Firefighters' Retirement System; Municipal Police Employees' Retirement
18 System; optional membership; refund of employee contributions; irrevocable
19 election; reenrollment; membership verification information

20 * * *

1 dissolution would have occurred without the transfer and the employees transferred
2 to the authority remain members of the system, the city shall not be required to make
3 the payments otherwise required by this Section. If the system determines that a
4 partial dissolution would have occurred regardless of the transfer, and the transferred
5 employees remain members of the system, then the amount due under the provisions
6 of this Subparagraph shall be calculated without regard to those transferred
7 employees.

8 B.(1) Any amount due pursuant to Subsection A of this Section shall be
9 determined by the actuary employed by the system and shall be amortized over
10 fifteen years in equal monthly payments with interest at the system's valuation
11 interest rate. ~~Such~~ Any such payments required based on a valuation dated June 30,
12 2023, or earlier shall be payable to the system electronically beginning July first of
13 the second fiscal year following the determination by the actuary and in the same
14 manner as regular payroll payments to the system. Any such payments required
15 based on a valuation dated June 30, 2024, or later shall be payable to the system
16 electronically beginning July first of the third fiscal year following the determination
17 by the actuary and in the same manner as regular payroll payments to the system.
18 Beginning July first of the fiscal year following the withdrawal, interest shall accrue
19 at the system's actuarial valuation rate, compounded annually.

20 (2)(a) If the number of participating employees of an employer subject to
21 Paragraph (A)(2) of this Section returns to at least the ~~number of participating~~
22 ~~employees as of the June thirtieth immediately preceding the withdrawal~~ target
23 employee count used to determine that a particular withdrawal occurred, the
24 payments required by this Section shall cease on the July first following the
25 determination by the actuary that a sufficient increase in participating employees has
26 occurred, and no further payments shall be due with respect to the withdrawal.

27 (b) If the number of participating employees of an employer subject to
28 Paragraph (A)(2) of this Section increases but does not return to at least the target
29 employee count used to determine that the particular withdrawal occurred, the

1 payments required by this Section shall be proportionately reduced on the July first
2 following the determination by the actuary that an increase in participating
3 employees has occurred.

4 (c) Any payments made pursuant to this Section shall be credited as an offset
5 of any amounts due by the employer attributable to any subsequent withdrawal that
6 occurs within fifteen years of the payments.

7 * * *

8 D. For the purposes of this Section, the following terms shall have the
9 following meanings:

10 * * *

11 (3) "Target employee count" shall mean:

12 (a) For a valuation dated June 30, 2025, or earlier, the number of
13 participating employees of the employer as of June thirtieth of the prior year.

14 (b) For the valuation dated June 30, 2026, the average of the numbers of
15 participating employees of the employer as of June thirtieth of each of the prior two
16 years.

17 (c) For a valuation dated June 30, 2027, or later, the average of the numbers
18 of participating employees of the employer as of June thirtieth of each of the prior
19 three years.

20 E. If an employer is delinquent on withdrawal payments on the thirtieth of
21 June in any year, the provisions of Subparagraph (B)(2)(b) of this Section shall not
22 apply to the withdrawal on which the payments are delinquent and for purposes of
23 any additional withdrawal determined by the actuary based on the June thirtieth
24 valuation of that year, the beginning payment date pursuant to Paragraph (B)(1) of
25 this Section shall be the July first of the second fiscal year following the
26 determination by the actuary, the target employee count shall be as provided in
27 Subparagraph (D)(3)(a) of this Section, and the provisions of Subparagraph (B)(2)(b)
28 shall not apply.

29 * * *

1 §2262.1. Dissolution of fire department; unfunded accrued liability; payment by
2 employer

3 A.

4 * * *

5 (2)

6 * * *

7 (b) An employer shall be deemed to have partially dissolved its fire
8 department if either of the following occurs:

9 (i) The number of participating employees of the employer as of the thirtieth
10 of June is less than seventy percent of the ~~number of participating employees of the~~
11 ~~employer on the thirtieth of June of the prior year~~ target employee count and either
12 the number of participating employees decreases by at least three or the number of
13 participating employees is zero.

14 (ii) The number of participating employees of the employer as of the thirtieth
15 of June is at least fifty fewer than the ~~number of participating employees of the~~
16 ~~employer as of the thirtieth of June of the prior year~~ target employee count.

17 (c) If the calculation of the percent pursuant to Item (b)(i) of this Paragraph
18 does not result in a whole number, the actuary shall round to the nearest lower whole
19 number.

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 payments with interest at the system's valuation rate. Payments
23 for withdrawals that occur on or after July 1, 2021, that are based on a valuation
24 dated June 30, 2023, or earlier shall be payable beginning the first of July 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. Payments for withdrawals that
27 are based on a valuation dated June 30, 2024, or later shall be payable beginning the
28 first of July of the third fiscal year following the determination by the actuary and
29 in the same manner as regular payroll payments to the system. Beginning on the first

1 of July of the fiscal year following withdrawal, interest shall accrue at the system's
2 actuarial valuation rate, compounded annually.

3 (2)(a) If the number of participating employees of an employer subject to
4 Paragraph (A)(2) of this Section returns to at least the ~~number of participating~~
5 ~~employees as of the thirtieth of June immediately preceding the withdrawal~~ target
6 employee count used to determine that the particular withdrawal occurred, the
7 payments required by this Section shall cease on the first of July following the
8 determination by the actuary that a sufficient increase in participating employees has
9 occurred, and no further payments shall be due with respect to the withdrawal.

10 (b) If the number of participating employees of an employer subject to
11 Paragraph (A)(2) of this Section increases but does not return to at least the target
12 employee count used to determine that the particular withdrawal occurred, the
13 payments required by this Section shall be proportionately reduced on the first of
14 July following the determination by the actuary that an increase in participating
15 employees has occurred.

16 (c) Any payments made pursuant to this Section shall be credited as an offset
17 of any amounts due by the employer attributable to any subsequent withdrawal that
18 occurs within fifteen years of the payments.

19 * * *

20 D. For the purposes of this Section, the following terms shall mean:

21 * * *

22 (3) "Target employee count" shall mean:

23 (a) For a valuation dated June 30, 2025, or earlier, the number of
24 participating employees of the employer as of June thirtieth of the prior year.

25 (b) For the valuation dated June 30, 2026, the average of the numbers of
26 participating employees of the employer as of June thirtieth of each of the prior two
27 years.

1 (c) For a valuation dated June 30, 2027, or later, the average of the numbers
2 of participating employees of the employer as of June thirtieth of each of the prior
3 three years.

4 E. If an employer is delinquent on withdrawal payments on the thirtieth of
5 June in any year, the provisions of Subparagraph (B)(2)(b) of this Section shall not
6 apply to the withdrawal on which the payments are delinquent and for purposes of
7 any additional withdrawal determined by the actuary based on the June thirtieth
8 valuation of that year, the beginning payment date pursuant to Paragraph (B)(1) of
9 this Section shall be the first of July of the second fiscal year following the
10 determination by the actuary, the target employee count shall be as provided in
11 Subparagraph (D)(3)(a) of this Section, and the provisions of Subparagraph (B)(2)(b)
12 of this Section shall not apply.

13 Section 2. The actuary for the Municipal Police Employees' Retirement System and
14 the Firefighters' Retirement System shall redetermine the withdrawal of participating
15 employers based on the June 30, 2024, and June 30, 2025, actuarial valuations pursuant to
16 the provisions of this Act. However, any employer who was not identified prior to the
17 effective date of this Act as having partially dissolved its police department or fire
18 department shall not be deemed to have partially dissolved its police department or fire
19 department based on the redetermination of withdrawal for the June 30, 2024, and June 30,
20 2025, actuarial valuations.

21 Section 3. This Act shall become effective upon signature by the governor or, if not
22 signed by the governor, upon expiration of the time for bills to become law without signature
23 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
24 vetoed by the governor and subsequently approved by the legislature, this Act shall become
25 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 49 Original

2026 Regular Session

Bacala

Abstract: Provides relative to partial dissolution of a police or fire department by an employer in the Municipal Police Employees' Retirement System or Firefighters' Retirement System.

Present law, applicable to the Municipal Police Employees' Retirement System (MPERS) and the Firefighters' Retirement System (FRS), generally requires anyone meeting the definition of "employee" contained in present law to become a system member as a condition of employment.

Proposed law retains present law.

Present law, applicable MPERS and FRS, allows an employee whose employer covers its police officers or firefighters under Social Security to elect not to be a member of the system. Provides requirements and procedures for making the election.

Proposed law retains present law for any employee hired before Jan. 1, 2027. Provides that for any employee hired Jan. 1, 2027, or later, proposed law does not allow for this election.

Present law for both MPERS and FRS provides generally for an employer with a sufficient reduction in employees to be deemed to have partially dissolved and requires payments to the system. Provides for definitions and determinations related to the reduction and payments with determinations made as part of the actuarial valuation process.

Proposed law retains present law.

Present law provides that a participating employer shall be deemed to have partially dissolved its police department if either of the following occurs:

- (1) The number of participating employees of the employer on the valuation date is less than 70% of the number of participating employees of the employer as of June 30th of the prior fiscal year and either the number of participating employees decreases by at least a minimum number or the number of participating employees is zero.
- (2) The number of participating employees of the employer as of June 30th is at least 50 fewer than the number of participating employees of the employer as of June 30th of the prior year.

Present law, applicable to FRS, provides for a minimum decrease of at least three employees. For MPERS, present law provides for a minimum decrease of at least two employees.

Proposed law increases the MPERS minimum employee reduction for purposes of partial dissolution from two to three beginning with the June 30, 2024, valuation. Retains the minimum of three for FRS.

Proposed law provides that the 70% requirement is calculated based on a comparison with the target employee count to determine whether a decrease in employees is sufficient to be deemed a partial dissolution. Defines "target employee count" to mean:

- (1) For a valuation dated June 30, 2025, or earlier, the number of participating employees of the employer as of June 30th of the prior year.
- (2) For the valuation dated June 30, 2026, the average of the numbers of participating employees of the employer as of June 30th of each of the prior two years.
- (3) For a valuation dated June 30, 2027, or later, the average of the numbers of participating employees of the employer as of June 30th of each of the prior three years.

Proposed law provides that a participating employer shall be deemed to have partially dissolved its police or fire department if either of the following occurs:

- (1) The number of participating employees of the employer as of June 30th is less than 70% of the target employee count and either the number of participating employees is zero or the number of participating employees decreases by at least the minimum.
- (2) The number of participating employees of the employer as of June 30th is at least 50 fewer than the target employee count.

Proposed law further provides that if the calculation of the percentage does not result in a whole number, the actuary shall round to the nearest lower whole number.

Present law for both systems requires payments to begin on the first of July of the second fiscal year following the determination a partial dissolution has occurred.

Proposed law requires payments to begin on the first of July of the third fiscal year following the determination for withdrawals based on a valuation dated June 30, 2024, or later.

Proposed law provides if an employer is delinquent on June 30th in any year, certain provisions of proposed law do not apply to the withdrawal on which the payments are delinquent and any additional withdrawal based on the June 30th actuarial valuation of that year.

Proposed law provides that the actuary for the Municipal Police Employees' Retirement System and the Firefighters' Retirement System shall redetermine the withdrawal of participating employers based on the June 30, 2024, and June 30, 2025, actuarial valuations pursuant to the provisions of this Act. However, any employer who was not identified prior to the effective date of this Act as having partially dissolved its police department or fire department shall not be deemed to have partially dissolved its police department or fire department based on the redetermination of withdrawal for the June 30, 2024, and June 30, 2025, actuarial valuations.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 11:2225.4(A)(2)(b) and (c) and (B) and 2262.1(A)(2)(b) and (B); Adds R.S. 11:157(E), 2225.4(A)(2)(d), (D)(3), and (E), and 2262.1(A)(2)(c), (D)(3), and (E))