
DIGEST

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Pierre

HB No. 25

Abstract: Allows members of the Firefighters' Retirement System (FRS) to convert unused sick and annual leave to retirement credit based on a conversion ratio.

Proposed law provides that, if an employer makes an irrevocable election of coverage by proposed law, its employees in FRS may convert unused sick and annual leave to creditable service for purposes of benefit calculation.

Proposed law provides that all unused annual and sick leave accrued by an employee for which payment cannot be made at the time of retirement shall be converted at the time of retirement to creditable service of the member on the following basis:

<u>Days</u>	<u>Percentage of a Year</u>
1-26	10
27-52	20
53-78	30
79-104	40
105-130	50
131-156	60
157-182	70
183-208	80
209-234	90
235-260	100

Proposed law provides that there is no limit on the amount of unused sick and annual leave that a member can convert to retirement credit, but no member may use such leave to attain eligibility for benefits.

Proposed law provides that when a member retires, the employer must provide FRS with a report of unused sick and annual leave, computed in days only, plus unreported earnings and contributions.

Proposed law provides that a member who terminates his employment but later becomes reemployed as an active contributing member of FRS, must contribute to FRS for not less than 18 months after his reemployment date before converting unused sick and annual leave for purposes of benefit computation.

Proposed law provides that the actuarial cost of providing the conversion is borne solely by the employer and must be paid to FRS within 30 days after the member retires. Funds from the Insurance Premium Tax Fund may not be used to pay such cost.

Proposed law provides that the actuarial cost of the additional benefits resulting from the conversion is based on mortality tables and interest rates adopted by the FRS board of trustees.

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

(Adds R.S. 11:2254.1)