

Regular Session, 2013

HOUSE BILL NO. 25

BY REPRESENTATIVE PIERRE

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT/FIREFIGHTERS: Provides for the conversion of unused sick and annual leave to retirement credit for members of the Firefighters' Retirement System

1 AN ACT

2 To enact R.S. 11:2254.1, relative to the Firefighters' Retirement System; to provide relative  
3 to the conversion of unused sick and annual leave to retirement credit; to provide an  
4 effective date; and to provide for related matters.

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

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 11:2254.1 is hereby enacted to read as follows:

10 §2254.1. Conversion of annual and sick leave to creditable service

11 A.(1) If an employer makes an irrevocable election to be covered by the  
12 provisions of this Section, each employee of such employer shall be given the option  
13 to convert unused leave to creditable service in accordance with this Section. The  
14 board of trustees shall promulgate all rules and regulations necessary to govern the  
15 procedure for employers to irrevocably elect coverage and for billing and payments  
16 relative to such coverage under the provisions of this Section.

17 (2) Except as otherwise provided in this Section, all unused annual leave and  
18 sick leave accrued by an employee for which payment in accordance with law cannot  
19 be made at the time of retirement shall be converted at the time of retirement to  
20 creditable service of the member on the following basis:

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

12           B. There shall be no limit on the amount of unused sick and annual leave that  
13           a member may convert to creditable service; however, the conversion shall not cause  
14           the member's total annual retirement benefit to exceed his final average  
15           compensation. No member, survivor, or beneficiary shall use any unused sick and  
16           annual leave to attain eligibility for any benefit provided by this Chapter.

17           C. Upon the member's retirement, the employer shall submit to the board a  
18           report of unused sick and annual leave, computed in days only, plus unreported  
19           earnings and contributions.

20           D. When converting unused leave to creditable service, fractional days of  
21           one-half or more shall be granted as one day, and less than one-half day shall be  
22           disregarded. Any member who terminates his employment for any period of time  
23           but who later becomes reemployed as an active contributing member in this system  
24           shall contribute to the system for not less than eighteen months subsequent to his  
25           reemployment date before unused sick and annual leave may be used for purposes  
26           of benefit computation. Creditable service obtained by conversion of unused sick  
27           and annual leave shall not be used in computation of average compensation.

28           E.(1) The employer shall bear the actuarial cost of the conversion authorized  
29           by this Section and shall submit payment therefor to the system within thirty days

1 after the date on which the member retires. No funds derived from the assessments  
2 against insurers pursuant to R.S. 22:1476 shall be used to pay any such cost in whole  
3 or in part.

4 (2) The actuarial cost of the additional benefits resulting from the conversion  
5 shall be based on mortality tables and interest rates as adopted by the board of  
6 trustees.

7 Section 2. This Act shall become effective upon signature by the governor or, if not  
8 signed by the governor, upon expiration of the time for bills to become law without signature  
9 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
10 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
11 effective on the day following such approval.

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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)]

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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 shall have the option to 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 assessments against insurers in present law 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.

Proposed law requires the FRS board of trustees to promulgate rules and regulations to govern the procedure for employers to elect coverage under proposed law. Further requires the board to promulgate rules and regulations relative to billing and payments under proposed law.

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

(Adds R.S. 11:2254.1)

#### Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Retirement to the original bill.

1. Provides that employees of a participating employer shall have the option to, rather than be eligible to, convert leave pursuant to proposed law.
2. Requires the FRS board to promulgate rules relative to billing and payments for the conversion mechanism in proposed law.
3. Makes technical changes.