
DIGEST

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Pearson

HB No. 51

Abstract: Changes from four years to five years the number of years used to calculate final average compensation for certain members of the Firefighters' Pension and Relief Fund in the city of New Orleans.

Present law provides relative to the computation of benefits for members in the Firefighters' Pension and Relief Fund in the city of New Orleans. Provides that if the firefighter has worked one or more hours of service after Dec. 31, 1995, he shall receive a retirement benefit equal to 2.5% of his average compensation based on the four highest consecutive years of employment, multiplied by the number of years of creditable service. Provides that if the member remains a member of the system beyond 12 years of service and such member attains the age of 50, the retirement benefit for each year or portion of a year beyond 12 years of service and after age 50, shall be an amount equal to 3-1/3% of the average annual compensation for each year or portion of a year.

Proposed law provides that the average compensation is based on the five highest consecutive years of employment instead of the four highest consecutive years. Otherwise retains present law.

Present law provides that if the member continues service beyond 30 years, the retirement benefit for each year or portion of a year beyond 12 years of service shall be an amount equal to 3-1/3% of the average annual compensation for each year or portion of a year. Provides, however, that the retirement benefit shall not exceed a total of 3-1/3% each year. Provides further that the service benefits of such firefighter shall not exceed 100% of the average compensation earned during any three highest average consecutive years of service preceding retirement.

Proposed law provides that the service benefits shall not exceed 100% of the average compensation earned during any five highest average consecutive years of service instead of three highest average consecutive years. Otherwise retains present law.

Present law provides that a firefighter who has not worked an hour of service after Dec. 31, 1995, shall receive a retirement allowance equal to 2.5% of his average salary based on the highest four consecutive years multiplied by the number of years of creditable service, not to exceed 75% and further provided that in the case of those employees who remain in service beyond 12 years and who have reached the age of 55 years, the percentage shall be 3% for all years over 12, with a maximum benefit of 80%.

Proposed law provides that the average salary is based on the highest five consecutive years instead of the highest four consecutive years. Otherwise retains present law.

(Amends R.S. 11:3384(B) and (C))