

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

RETIREMENT/LOCAL. Provides relative to the computation of benefits in the Firefighters' Pension and Relief Fund in the city of New Orleans

DIGEST

Present law provides relative to the computation of benefits for members in the Firefighters' Pension and Relief Fund in the city of New Orleans. Present law provides generally for a formula as follows:

$$\text{accrual rate} \times \text{years of service} \times \text{average compensation}$$

Proposed law retains present law.

Present law provides that average compensation for such calculations is based on the four highest consecutive years of employment.

Proposed law provides that the calculation is based on the five highest consecutive years of employment.

Present law provides for a Deferred Retirement Option Plan (DROP) participant to receive an additional benefit for service rendered after DROP participation ceases.

Proposed law retains present law, and specifies that the period of continued employment after DROP participation necessary for utilizing a new average compensation period for calculation of the post-DROP additional benefit shall be the same as the member's average compensation period upon DROP entry.

Proposed law provides that for members retiring or entering the DROP or participating in the DROP on a retroactive basis on or after July 1, 2013, and on or before June 30, 2014, the period used to calculate monthly average final compensation shall be 48 months plus the number of whole months since July 1, 2013. Otherwise retains present law.

Effective July 1, 2013.

(Amends R.S. 11:3384(B) and (C) and 3385.1(K)(7)(a) and (g))

Summary of Amendments Adopted by House

House Floor Amendments to the engrossed bill.

1. Adds provisions specifying the period used to calculate average final compensation for those who retire or enter DROP between July 1, 2013 and July 1, 2014.
2. Adds effective date.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Retirement to the reengrossed bill

1. Provides that the period of continued employment after DROP participation necessary for utilizing a new average compensation period for calculation of

the post-DROP additional benefit shall be the same as the member's average compensation period upon DROP entry.

2. Makes technical corrections.