

Regular Session, 2014

HOUSE BILL NO. 7

BY REPRESENTATIVE PEARSON

RETIREMENT/MUNICIPAL EMP: Provides relative to the accrual rate for members of Plan A of the Municipal Employees' Retirement System first hired on or after July 1, 2014

1 AN ACT

2 To amend and reenact R.S. 11:1789.4, relative to certain members of the Municipal
3 Employees' Retirement System; to provide for calculation of benefits; to provide for
4 an 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. 11:1789.4 is hereby amended and reenacted to read as follows:

10 §1789.4. Computation of normal retirement allowances; return of accumulated
11 contributions

12 A.(1) The monthly amount of the retirement allowance for any member of
13 MERS Plan A Tier 2 first hired on or before June 30, 2014, shall consist of an
14 amount equal to three percent of the member's final compensation multiplied by his
15 years of creditable service. ~~In addition:~~

16 ~~(1) Any (2) In addition, any~~ city marshal or deputy city marshal, ~~excluding~~
17 ~~those members serving as city marshals and deputy city marshals of Bossier City or~~
18 ~~Ruston on June 30, 2003~~, shall receive an additional regular retirement benefit
19 computed as follows: the monthly average of the seventy-two highest consecutive

1 or joined months of supplemental marshals' earnings on which contributions were
2 paid to the retirement system multiplied by the number of years contributions were
3 paid to the retirement system on supplemental marshals' earnings multiplied by three
4 percent for all service as a city marshal or deputy city marshal. Should the period
5 for which contributions are paid to the retirement system for supplemental marshals'
6 earnings be less than seventy-two months, then the actual period on which
7 contributions were paid shall be used to determine average supplemental marshals'
8 earnings used to compute this benefit.

9 B.(1) The monthly amount of the retirement allowance for any member of
10 MERS Plan A Tier 2 first hired on or after July 1, 2014, shall consist of an amount
11 equal to two and one half percent of the member's final compensation multiplied by
12 his years of creditable service.

13 (2) In addition, any city marshal or deputy city marshal shall receive an
14 additional regular retirement benefit computed as follows: the monthly average of
15 the seventy-two highest consecutive or joined months of supplemental marshals'
16 earnings on which contributions were paid to the retirement system multiplied by the
17 number of years contributions were paid to the retirement system on supplemental
18 marshals' earnings multiplied by two and one half percent for all service as a city
19 marshal or deputy city marshal. Should the period for which contributions are paid
20 to the retirement system for supplemental marshals' earnings be less than
21 seventy-two months, then the actual period on which contributions were paid shall
22 be used to determine average supplemental marshals' earnings used to compute this
23 benefit.

24 ~~(2)C.~~ Should a retired member die without having received in retirement
25 benefits an amount equal to his accumulated contributions standing to his credit at
26 the date of his retirement, and leave no eligible survivors, any balance remaining to
27 his credit shall be paid to his designated beneficiary or, if none, his estate.

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)]

Pearson

HB No. 7

Abstract: Lowers the accrual rate for new hires in the Municipal Employees' Retirement System (MERS) Plan A from 3% to 2.5%.

Present law (R.S. 11:1789 et seq.) establishes a tier (Tier 2) of benefits for members of MERS first hired on or after Jan. 1, 2013.

Present law (R.S. 11:1789.4) provides a 3% accrual rate for members of Tier 2. Proposed law changes the accrual rate for members first hired on or after July 1, 2014, from 3% to 2.5%.

Present law authorizes an additional benefit for certain city marshals and deputy city marshals. Provides that the additional benefit shall equal the monthly average of the 72 highest months of supplemental marshal's earnings multiplied by years of service contributions on such supplemental salary multiplied by 3%. Proposed law retains present law relative to additional benefits for such marshals and deputy marshals, but lowers the accrual rate from 3% to 2.5% for members first hired on or after July 1, 2014.

(Amends R.S. 11:1789.4)