Regular Session, 2014

## HOUSE BILL NO. 23

## BY REPRESENTATIVE PEARSON

#### 1 AN ACT 2 To amend and reenact R.S. 11:1789.1(2), 1789.4(1), 1808.4(2), 1841(B), 1842, 1861, and 3 1862(B)(introductory paragraph) and to repeal R.S. 11:1787, 1807, 1862(D), and 4 1863, relative to the Municipal Employees' Retirement System; to provide relative to expenses of the system; to provide relative to funds of the system; to provide 5 6 relative to employees first hired on or after January 1, 2013; to provide technical 7 changes; and to provide for related matters. 8 Notice of intention to introduce this Act has been published 9 as provided by Article X, Section 29(C) of the Constitution 10 of Louisiana. 11 Be it enacted by the Legislature of Louisiana: 12 Section 1. R.S. 11:1789.1(2), 1789.4(1), 1808.4(2), 1841(B), 1842, 1861, and 13 1862(B)(introductory paragraph) are hereby amended and reenacted to read as follows: 14 §1789.1. Application; definitions 15 Terms not specifically defined in this Section shall have the meanings 16 provided in R.S. 11:1732 unless a different meaning is clearly required by the 17 context. For purposes of Plan A Tier 2: \* \* \* 18 19 (2) "Member" shall include persons who would be eligible for system 20 membership pursuant to R.S. 11:1751 but whose first employment making them 21 eligible for membership in one of the state systems this system occurred on or after 22 January 1, 2013. 23

<u>ENROLLED</u>

**ACT No. 142** 

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

The monthly amount of the retirement allowance for any member of MERS Plan A Tier 2 shall consist of an amount equal to three percent of the member's final compensation multiplied by his years of creditable service. In addition:

6 (1) Any city marshal or deputy city marshal, excluding those members 7 serving as city marshals and deputy city marshals of Bossier City or Ruston on June 8 <del>30, 2003,</del> shall receive an additional regular retirement benefit computed as follows: 9 the monthly average of the seventy-two highest consecutive or joined months of 10 supplemental marshals' earnings on which contributions were paid to the retirement 11 system multiplied by the number of years contributions were paid to the retirement 12 system on supplemental marshals' earnings multiplied by three percent for all service 13 as a city marshal or deputy city marshal. Should the period for which contributions 14 are paid to the retirement system for supplemental marshals' earnings be less than 15 seventy-two months, then the actual period on which contributions were paid shall 16 be used to determine average supplemental marshals' earnings used to compute this 17 benefit.

\* \*

19§1808.4. Computation of normal retirement allowances; return of accumulated20contributions

The monthly amount of the retirement allowance for any member of MERS Plan B Tier 2 shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. In addition:

\*

\*

25 (2) Any city marshal or deputy city marshal, excluding those members 26 serving as city marshals and deputy city marshals of Bossier City or Ruston on June 27 <del>30, 2003,</del> shall receive an additional regular retirement benefit computed as follows: 28 the monthly average of the seventy-two highest consecutive or joined months of 29 supplemental marshals' earnings on which contributions were paid to the retirement 30 system multiplied by the number of years contributions were paid to the retirement 31 system on supplemental marshals' earnings multiplied by two percent for all service 32 as a city marshal or deputy city marshal. Should the period for which contributions

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1	are paid to the retirement system for supplemental marshals' earnings be less than
2	seventy-two months, then the actual period on which contributions were paid shall
3	be used to determine average supplemental marshals' earnings used to compute this
4	benefit.
5	* * *
6	§1841. Investment of funds by board of trustees
7	* * *
8	B. The board of trustees annually shall allow regular interest on the amount
9	in the fund at the end of the preceding year in each of the funds with the exception
10	of the expense fund and the annuity savings fund. The amounts so allowed shall be
11	due and payable to said the funds and shall be annually credited thereto by the board
12	of trustees from interest and other earnings on the moneys monies of the retirement
13	system. Any additional amount required to meet the interest on the fund of the
14	system shall be paid from the Pension Accumulation Funds, and any excess of
15	earnings over such amount required shall be paid to the pension accumulation funds.
16	Regular interest shall mean such percentage rate to be compounded annually as shall
17	be determined by the board of trustees on the basis of the interest earnings of the
18	system for the preceding year and of the probable earnings to be made, in the
19	judgment of the board, during the immediate future, such rate to be limited to a
20	maximum of six percent.
21	§1842. Board of trustees as custodian of funds
22	The board of trustees shall be the custodian of the several funds. All expense
23	vouchers and pension payrolls shall be certified by the administrative director. The
24	administrative director shall furnish the board of trustees a surety bond in a company
25	authorized to do business in Louisiana and in such an amount as shall be required by
26	the board, the premium to be paid from the expense expenses of the fund.
27	* * *
28	§1861. General
29	All of the assets of the retirement system shall be credited according to the
30	purpose for which they are held to one of seven eight funds, namely the annuity
31	savings fund A, the annuity savings fund B, the annuity reserve fund A, the annuity
32	reserve fund B, the pension accumulation fund A, the pension accumulation fund B,

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1	and the expense fund the Deferred Retirement Option Plan fund A, and the Deferred
2	Retirement Option Plan fund B. Expenses for the entire system shall be paid from
3	the pension accumulation fund from Plan A. Annually, a transfer of funds from the
4	pension accumulation fund for Plan B shall be made to reimburse Plan A for the pro
5	rata expenses attributable to Plan B.
6	\$1862. Funds to which assets credited
7	* * *
8	B. The pension accumulation funds A and B shall be the funds to which shall
9	be credited all payments to the system, exclusive of payments to the annuity savings
10	or expense funds fund and including contributions from employers and taxes from
11	sheriffs and ex officio tax collectors on behalf of members of Plans A and B
12	respectively. From each of these funds shall be paid the amounts required to be
13	transferred to the annuity reserve funds as prescribed by C, below Subsection C of
14	this Section.
15	* * *
16	Section 2. R.S. 11:1787, 1807, 1862(D), and 1863 are hereby repealed in their
17	entirety.
18	Section 3. This Act shall become effective upon signature by the governor or, if not
19	signed by the governor, upon expiration of the time for bills to become law without signature
20	by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
21	vetoed by the governor and subsequently approved by the legislature, this Act shall become
22	effective on the day following such approval.

# SPEAKER OF THE HOUSE OF REPRESENTATIVES

## PRESIDENT OF THE SENATE

## GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_

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