

ACT No. 403

Regular Session, 2014

HOUSE BILL NO. 77

BY REPRESENTATIVE MONTOUCET

1 AN ACT

2 To enact R.S. 11:2254.1, relative to creditable service in the Firefighters' Retirement
3 System; to provide relative to the conversion of unused leave to service credit in the
4 system; to authorize employers to allow such conversion; to provide for procedures
5 and limitations; to provide relative to the costs of such conversions; and to provide
6 for related matters.

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

10 Be it enacted by the Legislature of Louisiana:

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

12 §2254.1. Conversion of unused leave to creditable service

13 A.(1) An employer may elect to allow its employees to convert unused
14 earned leave to service credit in accordance with this Section.

15 (2) For purposes of this Section "unused earned leave" means sick leave,
16 annual leave, and compensatory leave but does not include sick leave as provided for
17 in R.S. 33:1995.

18 (3) Only an employee of an employer that has elected to allow the
19 conversion of unused earned leave in accordance with this Section may make such
20 a conversion. If an employer elects to allow the conversion of unused earned leave,
21 discretion over whether an employee's leave is converted lies solely with the
22 employee.

23 (4) The board of trustees shall promulgate all regulations necessary to govern
24 the procedures for employers to elect to allow conversion of unused earned leave and
25 other regulations necessary to implement the provisions of this Section.

1 B.(1) An election by an employer to allow conversion of leave pursuant to
2 this Section shall be made by adoption of a resolution evidencing such election.
3 Such a resolution shall not become effective until it is submitted to and approved by
4 this system. An election to allow leave conversion pursuant to this Section is
5 irrevocable.

6 (2) In making such election, the employer shall also elect whether the
7 conversion of leave shall occur on the effective date of an employee's entry into the
8 Deferred Retirement Option Plan or upon the effective date of his separation from
9 service. The election made pursuant to this Paragraph shall be expressly stated in the
10 resolution, shall be applied uniformly to all employees that choose to convert unused
11 earned leave, and is also irrevocable.

12 C.(1) Unused earned leave that has been accrued and accumulated by an
13 employee, except as provided in Paragraph (2) of this Subsection, and for which
14 payment has not been made shall be converted to years of service credit and applied
15 to the member's account on a proportional basis according to the following fraction:
16 the numerator is the number of hours of leave to be converted and the denominator
17 is the number of hours worked in the employee's particular position which equals the
18 equivalent of one year of work for that position as certified by the employer. The
19 board of trustees may accept the employer's certification or may apply its own yearly
20 equivalence.

21 (2) The employee solely shall determine the amount of his unused earned
22 leave that is to be converted to service credit; however, such conversion shall not
23 cause the employee's benefit to exceed one hundred percent of his average final
24 compensation. No member, survivor, or beneficiary may use unused earned leave
25 to attain eligibility for any benefit provided by this Chapter.

26 D. At the time the employee applies for conversion, the employer shall
27 submit to the board a report of unused earned leave, computed in hours only.

28 E.(1) In order for a conversion of leave that is otherwise authorized to be
29 effective, the employer shall pay into the system an amount which, on an actuarial
30 basis, totally offsets the increase in accrued liability of the system resulting from the

1 conversion. The employer shall pay the actuarial cost of providing the conversion to
2 this system within thirty days after receiving an invoice from this system.

3 (2) No funds derived from the assessments against insurers pursuant to R.S.
4 22:1476 shall be used to pay such cost in whole or in part.

5 (3) The amount payable shall be calculated based on such interest and
6 mortality factors as adopted by the board of trustees.

7 Section 2. Any person who is participating in the Deferred Retirement Option Plan
8 when his employer elects to allow conversion of unused earned leave to service credit
9 effective upon entry into the Deferred Retirement Option Plan pursuant to R.S. 11:2254.1
10 as enacted by this Act shall be eligible to convert his unused earned leave to retirement credit
11 and have his benefits recalculated retroactive to either the effective date of this Act or the
12 date of his entry into the Deferred Retirement Option Plan, whichever date occurred more
13 recently. Any such conversion shall be made in accordance with R.S. 11:2254.1 as enacted
14 by this Act.

15 Section 3. Any increase in benefits resulting from conversion of leave pursuant to
16 provisions of this Act shall not be an accrued benefit subject to the protection of Article X,
17 Section 29(E) of the Constitution of Louisiana until the system has received full payment
18 for such conversion.

19 Section 4. This Act shall become effective upon signature by the governor or, if not
20 signed by the governor, upon expiration of the time for bills to become law without signature
21 by the governor, as provided in Article III, Section 18 of the Constitution of Louisiana. If
22 vetoed by the governor and subsequently approved by the legislature, this Act shall become
23 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____