

New law makes various corrections to the Municipal Employees' Retirement System (MERS).

Existing law creates two tiers of membership in Plan A of MERS. Prior law (R.S. 11:1789.1) provided that for purposes of Plan A Tier 2, the term "member" meant a person whose first employment making him eligible for membership in one of the state systems occurred on or after Jan. 1, 2013. New law changes this definition to mean a person whose first employment making him eligible for membership in MERS occurred on or after Jan. 1, 2013.

Prior law provided that expenses of the system were handled as follows: each fund within the system made contributions to the "expense fund" in proportion to the number of members in the fund and system expenses were paid from the expense fund. New law provides that all expenses are to be paid from the assets of Plan A. At the end of each year, assets will be transferred from Plan B to Plan A to pay (pro rata) its share of the expenses.

Existing law (R.S. 11:1861) lists the different accounts within the system to which funds are credited. Prior law listed the "expense fund" as one of these accounts. New law removes the "expense fund" from the list and adds the DROP accounts for Plans A and B.

Effective upon signature by the governor (May 22, 2014).

(Amends R.S. 11:1789.1(2), 1789.4(1), 1808.4(2), 1841(B), 1842, 1861, and 1862(B)(intro. para.); Repeals R.S. 11:1787, 1807, 1862(D), and 1863)