

2015 Regular Session

HOUSE BILL NO. 58

BY REPRESENTATIVE LEGER

RETIREMENT/LOCAL: Relative to the Firefighters' Pension and Relief Fund in the city of New Orleans

1 AN ACT

2 To amend and reenact R.S. 11:3361, 3375, 3384(A)(2) and (D)(2), 3385.1(A)(1), and  
3 3386(B) and to enact R.S. 11:3370(H), 3370.1, 3370.2, 3384(A)(3) and (D)(3), and  
4 3386(C), relative to the Firefighters' Pension and Relief Fund in the city of New  
5 Orleans; to provide relative to legislative action regarding such fund; to provide  
6 relative to the date by which annual reports are due; to provide relative to  
7 investments of the fund; to establish the Firefighters' Pension Fund Committee and  
8 to provide with respect thereto; to establish minimum retirement ages for certain new  
9 hires; to provide with respect to maintenance of certain member accounts within the  
10 fund; and to provide for related matters.

11 Notice of intention to introduce this Act has been published  
12 as provided by Article III, Section 13 and Article X, Section  
13 29(C) of the Constitution of Louisiana.

14 Be it enacted by the Legislature of Louisiana:

15 Section 1. R.S. 11:3361, 3375, 3384(A)(2) and (D)(2), 3385.1(A)(1), and 3386(B)  
16 are hereby amended and reenacted and R.S. 11:3370(H), 3370.1, 3370.2, 3384(A)(3) and  
17 (D)(3), and 3386(C) are hereby enacted to read as follows:

18 §3361. Creation of Firefighters' Pension and Relief Fund; contributions by city  
19 A. A pension and relief fund for firefighters in the city of New Orleans is  
20 created. For the purpose of augmenting the fund, the city shall pay into the fund  
21 annually one percent of the revenues derived from all licenses issued by the city,  
22 except the drivers and chauffeurs licenses, and an annual appropriation in the budget  
23 of the city of a sum equal to not less than five percent of the money annually

1 appropriated by the city for the operation and maintenance of the fire department of  
 2 the city. The latter appropriation, within the limits prescribed, shall be determined  
 3 by the council each year in making up its annual budget. The appropriation and  
 4 donations by the city aforesaid shall be set apart by the treasurer of the city and paid  
 5 over to the board of trustees of the Firefighters' Pension and Relief Fund as the  
 6 annual contribution of the city to the fund. The word "firefighter" as designated in  
 7 this Part is defined as any individual employed by the fire department of the city of  
 8 New Orleans who is actively engaged in the extinguishing of fires. Notwithstanding  
 9 any provision of this Part to the contrary, any uniformed member of the fire  
 10 suppression division of the fire department of the city of New Orleans, who occupied  
 11 the position of firefighter in the classified civil service of the city of New Orleans for  
 12 at least ten years, and who, because of physical disability, selects to transfer from the  
 13 fire suppression division to the fire administration division of the fire department of  
 14 the city of New Orleans, may continue to participate in the pension and relief fund  
 15 for firefighters in the city of New Orleans, unless the board determines that such  
 16 continued employment is detrimental to the health and safety of other employees.

17 B. Notwithstanding any provision of law to the contrary, a change to the  
 18 provisions of this Part may be enacted by the legislature only after approval by a  
 19 majority vote of the fund's board of trustees and by the New Orleans City Council.

20 \* \* \*

21 §3370. Investment of fund; permanent fund

22 \* \* \*

23 H. The fund's investment policy may only be changed by a two-thirds vote  
 24 of the board of trustees.

25 §3370.1. Incurrence of debt prohibited

26 A. The board of trustees shall not issue debt instruments.

27 B. The board of trustees shall not invest proceeds of a debt obligation.

28 §3370.2. Investment advisory committee

29 A. There is hereby established the New Orleans Firefighters' Pension Fund  
 30 Investment Advisory Committee, to be comprised of five members. Each member  
 31 of the committee shall have investment expertise.



1 time he desires to be retired, if at the time so specified for his retirement he meets the  
2 requirements as provided in this Section.

3 \* \* \*

4 D.

5 \* \* \*

6 (2) Any member who enters the employ of the fire department on or after  
7 January 1, 2015, and on or before December 31, 2015, whose withdrawal from  
8 service occurs prior to the attainment of fifty-two years of age and who shall at such  
9 time have completed at least twelve years of creditable service shall remain a  
10 member of the retirement system, and in such case said member shall receive a  
11 service retirement beginning when he attains fifty-two years of age.

12 (3) Any member who enters the employ of the fire department on or after  
13 January 1, 2016, whose withdrawal from service occurs prior to the attainment of  
14 fifty-three years of age and who shall at such time have completed at least twelve  
15 years of creditable service shall remain a member of the retirement system, and in  
16 such case said member shall receive a service retirement beginning when he attains  
17 fifty-three years of age.

18 \* \* \*

19 §3385.1. Deferred Retirement Option Plan

20 A.(1)(a) As used in this Section, for any firefighter employed on or before  
21 December 31, 2015, the term "DROP account" shall mean the notional account  
22 maintained and reconciled for recordkeeping purposes under the Deferred  
23 Retirement Option Plan as an ancillary payment option.

24 (b) As used in this Section, for any firefighter employed on or after January  
25 1, 2016, the term "DROP account" shall mean an account maintained independently  
26 of the fund's general trust assets.

27 \* \* \*

28 §3386. Vested rights and benefits

29 \* \* \*

30 B. Any member who enters the employ of the fire department on or after  
31 January 1, 2015, and on or before December 31, 2015, whose withdrawal from

1 service occurs prior to the attainment of fifty-two years of age and who shall at such  
2 time have completed at least twelve years but less than twenty years of creditable  
3 service shall remain a member of the pension and relief fund, and, in such a case,  
4 said member shall receive a service retirement benefit beginning when he attains  
5 fifty-two years of age, provided such member has not withdrawn his accumulated  
6 contributions. The retirement benefit to be paid shall be two and one-half percent  
7 of average compensation during the best year of service preceding the date of  
8 withdrawal from service for each year of credited service. If the member dies after  
9 withdrawal from service but prior to attaining age fifty-two but having twelve years  
10 credited service, his widow, child or children, or estate, as applicable, shall be  
11 entitled to receive his accumulated contributions in a lump sum with interest credited  
12 thereto. If the member receiving benefits under this Subsection dies, his surviving  
13 widow shall receive the minimum benefit as set forth in R.S. 11:3383. If the member  
14 receiving benefits under this Subsection dies leaving a widow and children under the  
15 age of eighteen, then the widow and children under eighteen years of age shall  
16 receive the minimum benefit as set forth in R.S. 11:3383 equally divided between  
17 them. When the children of the member attain the age of eighteen or become  
18 married while receiving benefits under this Subsection, the benefits they are  
19 receiving shall be paid to the widow of the member.

20 C. Any member who enters the employ of the fire department on or after  
21 January 1, 2016, whose withdrawal from service occurs prior to the attainment of  
22 fifty-three years of age and who shall at such time have completed at least twelve  
23 years but less than twenty years of creditable service shall remain a member of the  
24 pension and relief fund, and, in such a case, said member shall receive a service  
25 retirement benefit beginning when he attains fifty-three years of age, provided such  
26 member has not withdrawn his accumulated contributions. The retirement benefit  
27 to be paid shall be two and one-half percent of average compensation during the best  
28 year of service preceding the date of withdrawal from service for each year of  
29 credited service. If the member dies after withdrawal from service but prior to  
30 attaining age fifty-three but having twelve years credited service, his widow, child  
31 or children, or estate, as applicable, shall be entitled to receive his accumulated



investment policy and decisions. Prohibits such committee members from being fiduciaries of the fund.

Present law requires the board of trustees to report to the New Orleans city council annually on the condition of the pension fund. Requires such report by Jan. 1 of each year. Proposed law changes the annual date by which such report is due from Jan. 1 to Jan 31.

Present law provides for retirement of firefighters employed by the city on or after Jan. 1, 2015, at 52 years of age with at least 12 years of service. Proposed law retains present law for firefighters employed on or before Dec. 31, 2015. Provides that for firefighters employed on or after Jan. 1, 2016, such members are eligible for retirement at age 53 with at least 12 years of service.

Present law provides for a deferred retirement benefit for firefighters employed by the city on or after Jan. 1, 2015. Authorizes any such member who withdraws from service prior to the age of 52 who has at least 12 years of service credit to leave his contributions with the system and begin receiving a retirement check upon attainment of age 52. Proposed law retains present law for firefighters employed prior to Dec. 31, 2015. Proposed law provides a deferred retirement benefit for firefighters employed on or after Jan. 1, 2016. Authorizes any such member who withdraws from service prior to the age of 53 who has at least 12 years of service credit to leave his contributions with the system and begin receiving a retirement check upon attainment of age 53.

Present law provides relative to the Deferred Retirement Option Plan (DROP) within NOFF. Provides that for the purposes of NOFF law, the term "DROP account" means a notional account maintained and reconciled for recordkeeping purposes under such plan as an ancillary payment option. Proposed law retains present law for any firefighter employed prior to Jan. 1, 2016. Proposed law further provides that for any firefighter employed on or after Jan. 1, 2016, the term "DROP account" shall mean an account maintained independently of the NOFF general trust assets.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 11:3361, 3375, 3384(A)(2) and (D)(2), 3385.1(A)(1), and 3386(B); Adds R.S. 11:3370(H), 3370.1, 3370.2, 3384(A)(3) and (D)(3), and 3386(C))