
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)]

HB 58Original

2015 Regular Session

Leger

Abstract: Provides with respect to the Firefighters' Pension and Relief Fund in the city of New Orleans (NOFF); provides relative to: legislative action regarding the fund; the date by which annual reports are due; investments of the fund; establish the Firefighters' Pension Fund Committee and to provide with respect thereto; establish minimum retirement ages for certain new hires; and to provide with respect to maintenance of member accounts within the fund.

Present law (R.S. 11:3361 et seq.) establishes NOFF and provides for its governance, funding, and benefits for its members.

Proposed law provides that any changes to the laws that govern NOFF may only be enacted after approval by a majority vote of the fund's board of trustees and the New Orleans City Council.

Proposed law provides that the policy that governs the board's investment decisions may only be altered by a two-thirds vote of the board of trustees.

Proposed law prohibits the board of trustees of the fund from investing the proceeds of a debt obligation and from issuing debt instruments.

Present law vests the board of trustees of the fund with exclusive control and management of the fund and authority to invest the assets of the fund. Proposed law retains present law.

Proposed law establishes the New Orleans Firefighters' Pension Fund Investment Advisory Committee, composed of five members with investment expertise, to advise the board on 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))