2015 Regular Session

SENATE BILL NO. 17

BY SENATOR GUILLORY

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

SHERIFFS PEN/RELIEF FUND.   Provides relative to benefits and funding. (2/3 - CA10s29(F)) (6/30/15)

1   AN ACT

2   To amend and reenact R.S. 11:2175(C)(3)(c) and 2175.1(A)(3) and (C), and to repeal R.S.

3   11:105(A)(5), relative to the Sheriffs' Pension and Relief Fund; to provide relative

4   to benefits and the funding for those benefits; to provide relative to service credit for

5   benefit calculation and the purchase thereof; to provide relative to employer

6   contributions for funding benefits; to provide relative to the funding deposit account;

7   to provide for credits to the account; to provide for an effective date; and to provide

8   for related matters.

9   Notice of intention to introduce this Act has been published.

10   Be it enacted by the Legislature of Louisiana:

11   Section 1. R.S. 11:2175(C)(3)(c) and 2175.1(A)(3) and (C) are hereby amended and

12   reenacted to read as follows:

13   §2175. Blanket fidelity insurance policy; powers of board; rehired retirees; refund

14   of contributions; restrictions on payments; warrants; deposits;

15   investments

16   *   *   *

17   C.   *   *   *

1   (3)   *   *   *

2   (c) Any member of the fund with a minimum of twelve years of service credit

3   applicable to eligibility for regular retirement may purchase up to ~~three~~ **five** years of

4   permissive service credit as defined in the Pension Protection Act of 2006, Section

5   415(n) of the Internal Revenue Code, and the corresponding Treasury regulations.

6   The service may be purchased only in full-month increments by paying the total cost

7   of the actuarial value of benefits to be purchased. The request to purchase permissive

8   service credit pursuant to this Subparagraph shall be accompanied by the member's

9   application for retirement from the fund. On the day such purchase is completed, the

10   member shall terminate employment and retire. His retirement shall be effective on

11   the next business day following the purchase. The board shall adopt policies and

12   procedures for the implementation of this Subparagraph, including providing for a

13   member to request the required actuarial calculation with the cost of such calculation

14   to be paid by the member.

15   *   *   *

16   §2175.1. Funding deposit account

17   A.   *   *   *

18   (3)**(a)** ~~Notwithstanding any provision of R.S. 11:105 to the contrary, all~~

19   **Notwithstanding the provisions of R.S. 11:103 and 104, in any fiscal year during**

20   **which the net direct employer contribution rate would otherwise decrease, the**

21   **board of trustees is authorized to set the employer contribution rate at any**

22   **point between the previous year's employer contribution rate and the decreased**

23   **rate otherwise required pursuant to R.S. 11:103 and 104.**

24   **(b) All** surplus funds collected ~~shall be credited to the funding deposit~~

25   ~~account~~ for any fiscal year terminating on or after December 31, 2008, in which the

26   board of trustees ~~elects or previously elected to set~~ **sets** the direct employer

27   contribution rate higher than the minimum recommended rate pursuant to ~~R.S.~~

28   ~~11:105~~ **the provisions of Subparagraph (a) of this Paragraph, shall be credited**

29   **to the account**.

Coding: Words which are ~~struck through~~ are deletions from existing law;
words in **boldface type and underscored** are additions.

1   *   *   *

2   C. Beginning with the June 30, 2009 valuation, the board of trustees may in

3   any fiscal year direct that funds from the account be charged according to the

4   following options:

5   (1) To reduce the unfunded accrued liability as prescribed in R.S. 11:105.

6   (2) To reduce the present value of future normal costs.

7   (3) To pay all or a portion of any future net direct employer contributions.

8   (4) To provide for permanent benefit increases as provided for in R.S.

9   11:2178~~(K)~~.

10   *   *   *

11   Section 2. R.S. 11:105(A)(5) is hereby repealed.

12   Section 3. This Act shall become effective on June 30, 2015; if vetoed by the

13   governor and subsequently approved by the legislature, this Act shall become effective on

14   June 30, 2015, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Margaret M. Corley.

Present law, relative to the Sheriffs' Pension and Relief Fund (Sheriffs'), provides for the
purchase of certain service credit at the time of retirement. Requires the purchaser to pay the
actuarial cost of the benefits purchased.

Proposed law retains present law.

Present law allows the purchase of a maximum of the three years of this service credit.

Proposed law extends the maximum from three to five years.

Present law (R.S. 11:105(A)(5)) authorizes the Sheriffs' board of trustees to maintain the
employer contribution rate at the previous year's rate when it otherwise would decrease
under the provisions of present law.

Proposed law repeals present law.

Proposed law authorizes the Sheriffs' board of trustees to set the employer contribution rate
at any point between the previous year's rate and the decreased rate that would otherwise be
required according to present law.

Present law provides for a funding deposit account at the Sheriffs' system. Provides for
credits to and permissible charges against the account, including the funding of certain
permanent benefit increases (commonly called cost-of-living increases or COLAs) permitted

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ENGROSSED
                                                        SB NO. 17

in <u>present law</u> (R.S. 11:2178).

<u>Present law</u> provides for additional COLA structures, that may not be funded by charging
the funding deposit account.

<u>Proposed law</u> provides that the funding deposit account may be charged for funding any of
the COLA structures in <u>present law</u> (R.S. 11:2178).

Effective June 30, 2015.

(Amends R.S. 11:2175(C)(3)(c) and 2175.1(A)(3) and (C); repeals R.S. 11:105(A)(5))

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