

2016 Regular Session

HOUSE BILL NO. 40

BY REPRESENTATIVE REYNOLDS

RETIREMENT/MUNICIPAL EMP: Provides relative to the reemployment of retirees in the Municipal Employees' Retirement System

1 AN ACT

2 To amend and reenact R.S. 11:1762(A) and (B), relative to reemployed retirees in the  
3 Municipal Employees' Retirement System; to require contributions to the retirement  
4 system during reemployment and to provide for disposition of such contributions  
5 upon termination of reemployment; and to provide for related matters.

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

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:1762(A) and (B) are hereby amended and reenacted to read as  
11 follows:

12 §1762. Reemployment of retirees

13 A.(1) Whenever a retired member receiving normal retirement benefits  
14 becomes reemployed by an employer such that his monthly earnings are equal to or  
15 less than the difference between his monthly average final compensation and his  
16 monthly retirement benefit, his retirement benefits shall continue ~~and he shall not be~~  
17 ~~a member of the system.~~

18 B: (2) Whenever a retired member receiving normal retirement benefits  
19 becomes reemployed by an employer such that his monthly earnings exceed the  
20 difference between his monthly average final compensation and his monthly

1 retirement benefit, his retirement benefits shall be reduced by the amount his  
2 monthly earnings exceed the difference between his monthly average final  
3 compensation and his monthly retirement benefit for every month of such  
4 employment ~~and he shall not be a member of the system.~~

5 B. During a period of reemployment by an employer, the retiree and his  
6 employer shall make contributions to the retirement system as provided by this  
7 Chapter, but the retiree shall receive no additional service credit and shall not accrue  
8 any additional retirement benefit in the retirement system. Upon termination of  
9 reemployment, employee contributions paid since reemployment shall, upon  
10 application, be refunded to the retiree without interest. The retirement system shall  
11 retain the employer contributions and interest on contributions made pursuant to this  
12 Subsection.

13 \* \* \*

14 Section 2. The provisions of this Act apply to any retiree reemployed after June 30,  
15 2016.

16 Section 3. This Act shall become effective upon signature by the governor or, if not  
17 signed by the governor, upon expiration of the time for bills to become law without signature  
18 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
19 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
20 effective on the day following such approval.

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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)]

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HB 40 Reengrossed

2016 Regular Session

Reynolds

**Abstract:** Requires employer and employee contributions to the Municipal Employees' Retirement System (MERS) during a period of reemployment of a retiree.

Present law provides that during a period of reemployment of a retiree of MERS, his employment income plus his retirement benefit may not exceed his final average compensation; if it does, his retirement benefit is reduced by the excess amount. Proposed law retains present law.

Present law provides that during such period of reemployment, the employee is not a member of the system. Proposed law removes this provision and requires that during the period of reemployment, the retiree and his employer make contributions to the retirement system. Provides, however, that the retiree shall not receive additional service credit or accrue additional benefits in the retirement system. Proposed law further provides that upon termination of reemployment, employee contributions shall be refunded to the retiree without interest and provides that the retirement system retains the employer contributions and interest.

Proposed law provides that proposed law is applicable to a retiree who is reemployed after June 30, 2016.

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

(Amends R.S. 11:1762(A) and (B))

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Modify implementation to apply only prospectively to retirees reemployed after June 30, 2016.