

Regular Session, 2011
HOUSE BILL NO. 332

ACT No. 238

BY REPRESENTATIVE PEARSON AND SENATOR GAUTREAUX

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

AN ACT

To amend and reenact R.S. 11:62(3) and (6), 108(B)(1)(f) and (3), (C), (D)(introductory paragraph), and (E), 1732(15), 2213(4), 2225(A)(2)(a) and (6), and 2252(4), to enact R.S. 11:107.2 and 108(F)(3), and to repeal R.S. 11:231(A)(4) and (7) and (C)(1)(b), relative to the Firefighters' Retirement System, the Municipal Employees' Retirement System, and the Municipal Police Employees' Retirement System; to provide relative to the funding of such systems; to provide for membership of the boards of trustees; to provide for the setting of employer contribution rates under certain circumstances; to provide for employee contribution rates; to provide for benefit calculation; to provide for continuation of the duties of the Funding Review Panel; to provide an effective date; and to provide for related matters.

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

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:62(3) and (6), 108(B)(1)(f) and (3), (C), (D)(introductory paragraph), and (E), 1732(15), 2213(4), 2225(A)(2)(a) and (6), and 2252(4) are hereby amended and reenacted and R.S. 11:107.2 and 108(F)(3) are hereby enacted to read as follows:

§62. Employee contribution rates established
Employee contributions to state and statewide public retirement systems shall be paid at the following rates, except as otherwise provided by law:

* * *

poverty guidelines issued by the United States Department of Health and Human Services according to the size of the member's family unit:

<u>If the total contribution</u>	
<u>for the fiscal year expressed</u>	
<u>as a percentage of payroll after</u>	
<u>applying all required tax</u>	<u>The employee contribution</u>
<u>contributions is:</u>	<u>shall be:</u>

<u>25.0% or below</u>	<u>7.5%</u>
<u>25.01% to 25.75%</u>	<u>7.75%</u>
<u>25.76% to 26.5%</u>	<u>8.0%</u>
<u>26.51% to 27.25%</u>	<u>8.25%</u>
<u>27.26% to 28.0%</u>	<u>8.5%</u>
<u>28.01% to 28.75%</u>	<u>8.75%</u>
<u>28.76% to 29.5%</u>	<u>9.25%</u>
<u>29.51% to 30.25%</u>	<u>9.5%</u>
<u>30.26% to 31.0%</u>	<u>9.75%</u>
<u>31.0% or above</u>	<u>10.0%</u>

* * *

§107.2. Employer contributions; maintaining rates; reducing rate decreases; Firefighters' Retirement System; Municipal Police Employees' Retirement System

A. The provisions of this Section shall apply to the following statewide public retirement systems or funds, hereinafter referred to in this Section as "systems":

- (1) The Firefighters' Retirement System.
- (2) The Municipal Police Employees' Retirement System.

B. Notwithstanding the provisions of R.S. 11:103 and 104, in any fiscal year during which the recommended net direct employer contribution rate would otherwise be decreased for any system, the board of trustees of the system is hereby authorized to either:

1 (1) The recommendations committee shall have the following voting
2 members:

3 * * *

4 (f) The ~~state treasurer~~ commissioner of administration or his designee.

5 * * *

6 ~~(3)(a) The panel shall elect from the members of the recommendations~~
7 ~~committee a chairman and vice chairman of the panel. If the state treasurer is elected~~
8 ~~chairman or vice chairman, his designee shall serve in such office at any meeting of~~
9 ~~the panel at which he represents the treasurer.~~

10 ~~(b) At the first meeting in Fiscal Year 2010-2011, and at the first meeting in~~
11 ~~each fiscal year thereafter, the panel shall elect from the members of the~~
12 ~~recommendations committee a chairman and vice chairman of the panel. If the state~~
13 ~~treasurer~~ commissioner of administration is elected chairman or vice chairman, his
14 designee shall serve in such office at any meeting of the panel at which he represents
15 the ~~treasurer~~ commissioner.

16 * * *

17 C.(1) The panel shall meet not less than monthly if practicable. The
18 treasurer shall call the first meeting of the panel on or before August 31, 2005, and
19 shall preside until the panel elects a chairman and vice chairman.

20 (2) The treasurer shall call the first meeting for Fiscal Year 2010-2011 on or
21 before August 31, 2010. The treasurer or his designee shall preside until the panel
22 elects a chairman and vice chairman.

23 (3) The commissioner shall call the first meeting in each fiscal year on or
24 before August thirty-first. The commissioner or his designee shall preside until the
25 panel elects a chairman and vice chairman.

26 D. The panel shall undertake a continuous and comprehensive review of the
27 actuarial funding and benefit structure of the Firefighters' Retirement System, the
28 Municipal Employees' Retirement System, and the Municipal Police Employees'
29 Retirement System, including but not limited to the following:

30 * * *

1 average monthly earnings during the highest sixty consecutive months or joined
 2 months if service was interrupted. The earnings to be considered for the thirteenth
 3 through the twenty-fourth months shall not exceed one hundred ~~twenty-five~~ fifteen
 4 percent of the earnings for the first through the twelfth months. The earnings to be
 5 considered for the twenty-fifth through the thirty-sixth month shall not exceed one
 6 hundred ~~twenty-five~~ fifteen percent of the earnings for the thirteenth through the
 7 twenty-fourth month. The earnings to be considered for the thirty-seventh through
 8 the forty-eighth month shall not exceed one hundred ~~twenty-five~~ fifteen percent of
 9 the earnings for the twenty-fifth through the thirty-sixth month. The earnings to be
 10 considered for the final twelve months shall not exceed one hundred ~~twenty-five~~
 11 fifteen percent of the earnings of the thirty-seventh through the forty-eighth month.

12 * * *

13 §2213. Definitions

14 The following words and phrases, as used in this Subpart, unless a different
 15 meaning is plainly required by context, shall have the following meaning:

16 * * *

17 (4) "Average final compensation" shall mean the average annual earned
 18 compensation of an employee for any period of thirty-six successive or joined
 19 months of service as an employee during which the said earned compensation was
 20 the highest. In case of interruption of employment, the thirty-six month period shall
 21 be computed by joining employment periods immediately preceding and succeeding
 22 the interruption. The earnings to be considered for the thirteenth through the
 23 twenty-fourth months shall not exceed one hundred fifteen percent of the earnings
 24 for the first through the twelfth months. The earnings to be considered for the final
 25 twelve months shall not exceed one hundred fifteen percent of the earnings of the
 26 thirteenth through the twenty-fourth months.

27 * * *

28 §2225. Administration

29 A. Board of trustees:

30 * * *

1 (2)(a) The board shall consist of ~~eleven~~ fifteen trustees as follows: Seven
2 members, three of whom shall not be chiefs of police but shall be active contributing
3 members of the system with ten or more years of creditable service, and four of
4 whom shall be active contributing chiefs of police, with four or more years of
5 creditable service provided that no municipal police department shall have more than
6 one member and one chief of police on the board at the same time, ~~and two of whom~~
7 ~~shall be;~~ two regular retirees of the system, one retired from Chiefs District I and one
8 retired from Chiefs District II as those districts are comprised in Subparagraphs (b)
9 and (c) of this ~~Paragraph;~~ Paragraph; and four ex officio trustees to include the
10 chairman of the House of Representatives Committee on Retirement or his designee,
11 ~~and~~ the chairman of the Senate Committee on Retirement or his designee, the
12 commissioner of administration or his designee, and the state treasurer or his
13 designee; and two mayors appointed by the Louisiana Municipal Association from
14 municipalities having police departments participating in the system, to serve at the
15 pleasure of the Louisiana Municipal Association. The retired trustees shall be
16 elected by the retired members of the system for a term of five years with the first
17 retired trustees' terms to commence on July 1, 1997. Whenever the term of a board
18 member expires, the term of the newly elected board member shall be for a term of
19 five years. The director of the retirement system shall be selected by the ~~eleven~~
20 ~~members of the board~~ board of trustees. Election of members shall be under such
21 rules and regulations as the board of trustees shall establish.

* * *

23 (6) Each trustee shall be entitled to one vote on the board. ~~Six~~ Eight trustees
24 shall constitute a quorum for any board meeting, and a majority vote of the trustees
25 present shall be necessary for a decision by the trustees at any meeting of the board.

* * *

27 §2252. Definitions

28 The following words and phrases, as used in this Chapter, unless a different
29 meaning is plainly required by context, shall have the following meaning:

* * *

1 (4) "Average final compensation" shall mean the average annual earned
 2 compensation of an employee for any period of thirty-six successive or joined
 3 months of service as an employee during which the said earned compensation was
 4 the highest. In case of interruption of employment, the thirty-six month period shall
 5 be computed by joining employment periods immediately preceding and succeeding
 6 the interruption. The earnings to be considered for the thirteenth through the
 7 twenty-fourth months shall not exceed one hundred fifteen percent of the earnings
 8 for the first through the twelfth months. The earnings to be considered for the final
 9 twelve months shall not exceed one hundred fifteen percent of the earnings of the
 10 thirteenth through the twenty-fourth months.

* * *

12 Section 2. R.S. 11:231(A)(4) and (7) and (C)(1)(b) are hereby repealed in their
 13 entirety.

14 Section 3. The provisions of R.S. 11:1732(15), 2213(4), and 2252(4) as amended by
 15 this Act shall not cause the average compensation of any member retiring on or after the
 16 effective date of this Act to be less than such member's average compensation as it existed
 17 before the effective date of this Act.

18 Section 4. As soon as practicable after the effective date of this Act, the Public
 19 Retirement Systems' Actuarial Committee shall meet to adopt a revised employer
 20 contribution rate resulting from the changes contained in this Act, to be utilized for Fiscal
 21 Year 2011-2012, for each of the systems affected by this Act. Notwithstanding the
 22 provisions of R.S. 11:127(B) and (C), a revised valuation shall not be required for the
 23 purpose of implementing the revised employer contribution rate.

24 Section 5. The provisions of the Act limiting increases in final compensation used
 25 for purposes of calculation of benefits shall not be applied to any salary increases due to
 26 promotions within any civil service system.

1 Section 6. This Act shall become effective on June 30, 2011; if vetoed by the
2 governor and subsequently approved by the legislature, this Act shall become effective on
3 June 30, 2011, or on the day following such approval by the legislature, whichever is later.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____