
SENATE COMMITTEE AMENDMENTS

Amendments proposed by Senate Committee on Retirement to Reengrossed House Bill No. 42 by Representative Firment

1 AMENDMENT NO. 1

2 On page 1, line 2, after "reenact" change "R.S. 11:2225(A)(2)(a)" to "R.S. 11:157(A), R.S.
3 11:2225(A)(2)(a); to enact R.S. 11:157(A)(3); and to repeal R.S. 11:2213(11)(a)(iv),
4 2220(J)(4), and 2221(K)(4)(b)"

5 AMENDMENT NO. 2

6 On page 1, line 10, after "Section 1." change "R.S. 11:2225(A)(2)(a) " to "R.S. 11:157(A),
7 R.S. 11:2225(A)(2)(a)"

8 AMENDMENT NO. 3

9 On page 1, line 4, after "system;" insert "to provide for employer participation in the
10 retirement system"

11 AMENDMENT NO. 4

12 On page 1, between lines 11 and 12, insert "§157. Firefighters' Retirement System;
13 Municipal Police Employees' Retirement System; optional membership; refund of employee
14 contributions; irrevocable election; reenrollment; membership verification information

15 A.(1) Notwithstanding any other provision of law to the contrary and subject to the
16 provisions of Paragraph (3) of this Subsection, any employee as defined in R.S. 11:2213 or
17 2252 who is employed by any employer as defined in R.S. 11:2213 or 2252 which has its
18 employees covered under the federal Social Security program and which has not previously
19 and specifically excluded its police officers or firefighters from coverage under this federal
20 program may elect not to be or elect not to become a member of the applicable retirement
21 system; however, the employer shall enroll the employee in the applicable retirement system
22 at the time of employment, and the employee shall remain enrolled until he fulfills the
23 requirements set forth in Paragraph (C)(1) of this Section. Any employee who elects not to
24 be a member of the applicable retirement system shall be refunded his employee
25 contributions which have been received by the system, without interest for the period for
26 which he contributed to the system.

27 * * *

28 (3) For any employee eligible to participate in the Municipal Police Employees' Retirement
29 System, the employee shall elect not to be or elect not to become a member within thirty days
30 of becoming eligible to participate in the system. If the employee fulfills the requirements
31 set forth in Paragraph (C)(1) of this Section on the first day that he becomes eligible, then
32 the employer shall not enroll the employee in the system.

33 * * *

34 AMENDMENT NO. 5

35 On page 1, between line 11 through 12, insert the following:

36 "§2220. Benefits; contribution limit

37 * * *

38 B. Benefits shall be payable to any survivor of an active contributing member who
39 dies before retirement or a disability retiree who dies after retirement as specified in the
40 following:

1 * * *
2 (2) * * *

3
4 (e) Qualifying survivor's benefits are payable upon application therefor and become
5 effective as of the day following the death of the member if the fully completed application
6 is received by the system by the later of September 20, 2024, or one hundred and twenty days
7 after the date of death. If the system does not receive a fully completed application by this
8 deadline, the benefits become effective on the date the fully completed application is
9 received and become payable not later than the first month following thirty days from the
10 date that the system receives the fully completed application for benefits. If survivor benefits
11 are being paid on behalf of a deceased member at the time a survivor applies for benefits, that
12 survivor's benefits shall become effective and payable on the first day of the next month
13 following sixty days from the date that the system receives the survivor's completed
14 application for benefits.

15 * * *

16 AMENDMENT NO. 6

17 On page 1, lines 11 through 12, insert

18 "§2221. Deferred Retirement Option Plan

19 A. In lieu of terminating employment and accepting a service retirement allowance
20 under R.S. 11:2220, any member of this system who has at least twelve years of creditable
21 service and has attained at least age fifty-five or at least twenty years of creditable service and
22 who is eligible to receive a service retirement allowance but is not eligible to participate in
23 the Back-Deferred Retirement Option Plan pursuant to R.S. 11:2221.1 may elect to
24 participate in the Deferred Retirement Option Plan and defer the receipt of benefits in
25 accordance with the provisions of this Section.

26 * * *

27 §2221.1. Back-Deferred Retirement Option Plan

28 A.(1) There is hereby created an optional plan for members of the system
29 called the "Back-Deferred Retirement Option Plan" which shall be referred to in this
30 Chapter as "Back-DROP".

31 (2) In lieu of receiving a service retirement allowance under this Chapter, a
32 member of the system who is eligible for Back-DROP may irrevocably elect to retire
33 and have his benefits structured, calculated, and paid as provided in this Section.

34 B. An active, contributing member of the system shall be eligible for
35 Back-DROP only if both of the following are first satisfied during or after the first
36 fiscal year following the fiscal year in which the oldest positive amortization base
37 existing as of June 30, 2024, is eliminated, as certified by both the system's actuary
38 and director in writing:

39 (1) The member has accrued more service credit than the minimum required
40 for eligibility for a normal retirement benefit. However, the member may not use
41 time that was eligible to be transferred to the system under R.S. 11:143 prior to the
42 first fiscal year following the fiscal year in which the oldest positive amortization
43 base existing as of June 30, 2024, is eliminated, as certified by both the system's
44 actuary and director in writing, to make himself eligible for Back-DROP.

45 (2) The member has attained an age that is greater than the minimum
46 required for eligibility for a normal retirement benefit, if applicable.

47 C. At the time of retirement, a member who elects to receive a Back-DROP
48 benefit shall select a Back-DROP period to be specified in whole months. The
49 duration of the Back-DROP period shall not exceed the lesser of thirty-six months
50 or the number of months of creditable service accrued after the member first attained
51 eligibility for normal retirement. However, a member who has earned a benefit equal
52 to a maximum benefit equal to one hundred percent of his average final
53 compensation may select a Back-DROP period not to exceed the lesser of forty-eight
54 months or the number of months of creditable service accrued after the member first
55 became eligible for regular retirement. The Back-DROP period shall be comprised
56 of the most recent calendar days corresponding to the member's employment for
57 which service credit in the system accrued.

1 D.(1) The Back-DROP benefit shall have two portions: a monthly benefit
2 portion and a lump-sum portion.

3 (2) The member's Back-DROP monthly benefit shall be calculated pursuant
4 to the provisions applicable for a service retirement allowance under this Chapter,
5 subject to the following conditions:

6 (a) For purposes of this Paragraph, creditable service shall not include service
7 credit reciprocally recognized pursuant to R.S. 11:142.

8 (b) Accrued service credit at retirement utilized for the purpose of calculating
9 the Back-DROP monthly benefit shall be reduced by the Back-DROP period.

10 (c) Average final compensation utilized for the purpose of calculating the
11 Back-DROP monthly benefit shall be calculated by excluding all earnings during the
12 Back-DROP period.

13 (d) Employer contributions received by the retirement system during the
14 Back-DROP period and any interest that has accrued on employer and employee
15 contributions received during the period shall be retained by the system and shall not
16 be refunded to the member or to the employer.

17 (e) Upon separation from service, employee contributions received by the
18 retirement system during the Back-DROP period shall, without interest, be deposited
19 directly into the member's Back-DROP account.

20 (f) The member's Back-DROP monthly benefit shall be calculated based
21 upon the member's age and service and the system statutes and other plan provisions
22 in effect on the last day of creditable service before the Back-DROP period.
23 However, the member may not elect to receive the initial benefit option under R.S.
24 11:2224(F).

25 (g) At retirement, the member's maximum monthly retirement benefit
26 payable as a life annuity shall be equal to the Back-DROP monthly benefit.

27 (3) In addition to the monthly benefit received pursuant to Paragraph (2) of
28 this Subsection, the member shall be paid a lump-sum benefit equal to the
29 Back-DROP maximum monthly retirement benefit multiplied by the number of
30 months selected as the Back-DROP period.

31 (4) The Back-DROP lump sum shall be transferred to an individual account
32 for self-directed investments as further provided in Subsection E of this Section.

33 (5) Cost-of-living adjustments shall not be payable on the member's
34 Back-DROP lump sum.

35 (6) Upon the retiree's death, any remaining unpaid balance in the
36 Back-DROP account shall be paid to the retiree's named beneficiaries or, if none, to
37 his estate.

38 (7) Upon the death of a retiree who selected the maximum option pursuant
39 to R.S. 11:2224(A), the retiree's named beneficiaries or, if none, the retiree's estate
40 shall receive the deceased retiree's remaining contributions, less the Back-DROP
41 benefit amount.

42 (8) Upon the death of a retiree who selected Option 1 pursuant to R.S.
43 11:2224(A), the retiree's named beneficiaries or, if none, the retiree's estate shall
44 receive the deceased retiree's annuity savings fund balance as of the retiree's date of
45 retirement reduced by that portion of his initial Back-DROP account balance and his
46 previously paid retirement benefits that were attributable to the member's annuity
47 payments as provided by the annuity savings fund.

48 (9) For the purpose of determining compliance with the maximum income
49 provisions of Section 415(b) of the Internal Revenue Code or any successor
50 provision, a Back-DROP benefit calculation shall be performed by the board actuary
51 to determine the value of the Back-DROP benefit if calculated as an annuity for the
52 life expectancy of the member or member and beneficiary if a joint and survivor
53 benefit option has been selected. This sum, on an annual basis, shall be added to the
54 normal monthly benefit payable to determine if the total monthly benefit received
55 from the system is in compliance with the maximum benefit limits contained in
56 Section 415(b) of the Internal Revenue Code or any successor provision.

57 E.(1) Upon the member's separation from employment, the system shall
58 transfer the lump-sum payment into a self-directed account managed by a third-party
59 provider.

1 AMENDMENT NO. 11

2 On page 3, line 24, change "Section 2. This Act shall become effective on January 1, 2025."
3 to "Section 2. This Act shall become effective on June 30, 2024; if vetoed by the governor
4 and subsequently approved by the legislature, this Act shall become effective on June 30,
5 2024, or on the day following such approval by the legislature, whichever is later."

6 AMENDMENT NO. 12

7 On page 3, line 9, insert "(3) For amounts that became delinquent on or before June 30, 2024,
8 the board of trustees may approve a payment plan for a term of up to fifteen years for the
9 delinquent amount together with interest charged at the legal rate from the date the payment
10 was due.

11 An employer or an employee may pay to the retirement system an amount equal to
12 the actuarial cost of purchase of the service credit for which contributions were not paid
13 calculated by the system's actuary pursuant to R.S. 11:158(C) to purchase service credit for
14 employment prior to June 30, 2021."

15 AMENDMENT NO. 13

16 On page 3, line 24, insert "Section 2. R.S. 11:2213(11)(a)(iv), 2220(J)(4), and 2221(K)(4)(b)
17 are hereby repealed in their entirety."