

2019 Regular Session

HOUSE BILL NO. 22

BY REPRESENTATIVE BACALA

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

RETIREMENT/MUNICIPAL POL: Provides relative to the calculation of benefits of certain employees of the Baton Rouge Police Department who are members of the Municipal Police Employees' Retirement System

1 AN ACT

2 To enact R.S. 11:2225(F), to provide relative to the earnable compensation of certain  
3 employees of the Baton Rouge Police Department who are members of the  
4 Municipal Police Employees' Retirement System; to provide for retirement benefits;  
5 to provide for actuarial certification of the cost of such benefits; to provide for  
6 repayment of associated costs paid by the system; and to provide for related matters.

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

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. 11:2225(F) is hereby enacted to read as follows:

12 §2225. Administration

13 \* \* \*

14 F.(1) The following words and phrases, as used in this Subsection, shall have  
15 the following meanings:

16 (a) "Actuarial certification" means a certification, by the actuary designated  
17 pursuant to Paragraph D(1) of this Section, of the actuarial impact of including  
18 disputed overtime in the average final compensation of a Baton Rouge police officer.

1 An actuarial certification shall be based on the assumptions in the system's most  
2 recent valuation approved by the Public Retirement Systems' Actuarial Committee.

3 (b) "Disputed overtime" means compensation paid to a Baton Rouge police  
4 officer that does not qualify as earnable compensation under this Chapter but meets  
5 all of the following requirements:

6 (i) It was paid for work required in the employee's regular scope of duty.

7 (ii) It is compensation of the type on which the city of Baton Rouge, parish  
8 of East Baton Rouge, referred to in this Subsection as "Baton Rouge", was paying  
9 contributions to the system prior to January 1, 2018.

10 (c) "Baton Rouge police officer" means any of the following:

11 (i) An active employee of Baton Rouge as of June 30, 2019 whose  
12 employment with Baton Rouge making him eligible for membership in the system  
13 occurred during the period beginning February 26, 2000 and ending December 31,  
14 2017 and who does not obtain a refund of his accumulated contributions after  
15 December 31, 2017.

16 (ii) A member whose employment with Baton Rouge making him eligible  
17 for membership in the system occurred during the period beginning February 26,  
18 2000 and ending December 31, 2017, who did not obtain a refund of the amount of  
19 his accumulated contributions after December 31, 2017, who has sufficient years of  
20 service credit established in the retirement system to receive a benefit upon obtaining  
21 the appropriate age under this Chapter, who ceased covered employment with Baton  
22 Rouge before June 30, 2019, and who leaves his accumulated contributions in the  
23 retirement system in order to receive a retirement benefit upon reaching the  
24 applicable age.

25 (iii) A former employee of Baton Rouge who is retired on June 30, 2019 or  
26 who is deceased and has a beneficiary receiving a survivor benefit on June 30, 2019,  
27 and whose employment with Baton Rouge making him eligible for membership in  
28 the system occurred during the period beginning February 26, 2000 and ending  
29 December 31, 2017.

1           (iv) Baton Rouge police officer does not mean an employee who was merged  
2           into the system pursuant to R.S. 11:2225(A)(11)(ii), who, after being merged,  
3           obtained a refund of the amount of his accumulated contributions and who, after  
4           December 31, 2017, returns to employment with Baton Rouge .

5           (d) "Initial actuarial certification" means a certification by the actuary  
6           designated pursuant to Paragraph D(1) of this Section of the actuarial impact of  
7           including disputed overtime in the average final compensation for all Baton Rouge  
8           police officers to whom a benefit was paid prior to July 1, 2019.

9           (2)(a) The average final compensation of a Baton Rouge police officer to  
10          whom a benefit was paid prior to July 1, 2019, shall include disputed overtime if on  
11          or before September 30, 2019, Baton Rouge provides the system with all data  
12          necessary for the initial actuarial certification, and such certification shows that the  
13          actuarial cost does not exceed the value of the contributions received by the system.

14          (b) If the initial actuarial certification shows the actuarial cost exceeds the  
15          value of the contributions received by the system, Baton Rouge shall pay to the  
16          system, within ninety days, the amount determined by the actuary necessary to offset  
17          the actuarial cost. If Baton Rouge fails to pay the amount necessary to offset the  
18          actuarial cost, the system shall notify the retiree or beneficiary of Baton Rouge's  
19          failure to pay and shall cease paying benefits based on disputed overtime until the  
20          system receives the amount necessary to offset the actuarial cost plus interest from  
21          Baton Rouge or from the treasurer pursuant to Paragraph (6) of this Subsection.

22          (c) If any Baton Rouge Police Officer is omitted from the initial actuarial  
23          certification due to an administrative error, the actuary shall amend the initial  
24          actuarial study within ninety days of the discovery of the omission.

25          (3)(a) The average final compensation of a Baton Rouge police officer who  
26          was not receiving a benefit prior to July 1, 2019, shall include disputed overtime if,  
27          upon receipt of an application for benefits, the system obtains an actuarial  
28          certification that shows the actuarial cost does not exceed the value of the  
29          contributions received by the system for the applicant.

1           (b) If such certification shows that the actuarial cost exceeds the value of the  
2           contributions received by the system for the applicant, Baton Rouge shall pay to the  
3           system within thirty days of receipt of the actuarial certification the amount  
4           determined by the actuary necessary to offset the increased actuarial cost. If Baton  
5           Rouge fails to pay the amount necessary to offset the increased actuarial cost within  
6           the thirty-day period, the system shall notify the applicant of Baton Rouge's failure  
7           to pay. The average final compensation of such an officer shall include disputed  
8           overtime when the system receives the amount necessary to offset the actuarial cost  
9           plus interest from Baton Rouge or from the treasurer pursuant to Paragraph (6) of  
10          this Subsection

11           (4) If the initial actuarial certification or an actuarial certification shows the  
12          actuarial cost is less than the value of the contributions received by the system, Baton  
13          Rouge shall receive a credit from the system to offset any cost due to the system  
14          pursuant to this Subsection.

15           (5) On or before January fifteenth of each year, the system's director shall  
16          certify to Baton Rouge, the total of expenses paid by the system during the previous  
17          calendar year for compliance with the requirements of this Subsection. Baton Rouge  
18          shall reimburse the system for such amounts no later than June thirtieth of that year.

19           (6) Any delinquent payment due under this Subsection, including actuarial  
20          costs associated with a benefit on disputed overtime, shall include interest at the  
21          assumed rate of return used in the system's most recent valuation approved by the  
22          Public Retirement Systems' Actuarial Committee and may otherwise be collected  
23          in the manner provided in R.S. 11:2227(D)(2).

24          Section 2. The city of Baton Rouge, parish of East Baton Rouge shall reimburse the  
25          Municipal Police Employees' Retirement System for costs that are associated with disputed  
26          overtime payments and that were paid to the accounting firm and actuary on or before the  
27          effective date of this Act.

28          Section 3. This Act shall become effective upon signature by the governor or, if not  
29          signed by the governor, upon expiration of the time for bills to become law without signature

1 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
2 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
3 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 22 Original

2019 Regular Session

Bacala

**Abstract:** Provides for certain overtime payments made by the Baton Rouge Police Department (BRPD) to employees who are members of the Municipal Police Employees' Retirement System (MPERS) to be included in the calculation of average final compensation for eligible members.

Present law provides that the average final compensation of a member of MPERS is based off of his annual earned compensation, but does not include overtime. Proposed law retains present law.

Proposed law allows for certain overtime payments made by BRPD to certain employees who are members of MPERS to be included in the calculation of average final compensation when the overtime payments were of the type on which BRPD was paying contributions to the system prior to Jan 1, 2018. Provides for payment of actuarial and administrative costs of proposed law.

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

(Adds 11:2225(F))