HLS 11RS-524 ORIGINAL

Regular Session, 2011

HOUSE BILL NO. 314

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BY REPRESENTATIVE HOWARD

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

RETIREMENT/MUNICIPAL POL: Provides relative to the Municipal Police Employees' Retirement System, allows a retiree to change his designated beneficiary from a former spouse to a current spouse

AN ACT

2	To amend and reenact R.S. 11:2224(E), relative to the Municipal Police Employees'
3	Retirement System; to allow a retiree to change his beneficiary under certain
4	circumstances; to provide limitations and conditions on such a change of beneficiary;
5	to provide an effective date; 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:
0	Section 1. R.S. 11:2224(E) is hereby amended and reenacted to read as follows:
1	§2224. Optional allowances
12	* * *
13	E.(1) A retiree eannot may not change the designation of beneficiary after
14	the effective date of retirement unless the retirement was approved under Option 1,
15	other than as provided by Subsection C of this Section.
16	(2) Notwithstanding the provisions of Paragraph (1) of this Subsection, any
17	retiree who at the time of his retirement designated as beneficiary a person to whom
18	he is no longer married may change the designation of his beneficiary to his current
19	spouse if he has been married to his current spouse for at least eight years, and he
20	files the change in designation of his beneficiary with the system on or before

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

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December 31, 2011. Nothing in this Paragraph authorizes a change in the option previously selected by the retiree. Any proposed change in beneficiary pursuant to this Paragraph shall be submitted to the board, and the system's actuary shall make a determination of the actuarial impact of such change. No change in beneficiary pursuant to this Paragraph shall create additional liability for the system. The benefits payable to a retiree who changes his beneficiary under this Paragraph shall be actuarially equivalent to the benefits payable immediately prior to such change. Upon board approval of the change in beneficiary, the system shall make any adjustment to payments paid or payable, in accordance with the original option selected, that are necessitated by a change in beneficiary pursuant to this Paragraph to achieve an actuarial equivalence. Such adjustment may include a reduction of the monthly payments to the retiree or his beneficiary. A retiree who changes his beneficiary pursuant to this Paragraph shall hold harmless and indemnify the system from any and all liability, loss, or damages that the system may sustain as a result of actions, claims, demands, or costs, including reasonable attorney fees, due to such change in beneficiary. Nothing in this Paragraph permits a change in beneficiary that conflicts with a court order relating to the division of community property. Section 2. This Act shall become effective on July 1, 2011; if vetoed by the governor

DIGEST

2011, or on the day following such approval by the legislature, whichever is later.

and subsequently approved by the legislature, this Act shall become effective on July 1,

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)]

Howard HB No. 314

Abstract: Permits a retiree of the Municipal Police Employees' Retirement System (MPERS), who designated a former spouse as his beneficiary, to name his current spouse as beneficiary.

<u>Present law</u> provides that a retiree of MPERS may choose one of several benefit payment options whereby a designated beneficiary will receive a certain amount upon the retiree's

death. <u>Present law</u> prohibits a change in such beneficiary after retirement, except in limited circumstances.

<u>Proposed law</u> allows a retiree who designated a former spouse as his beneficiary to designate a current spouse as his beneficiary if he has been married to the current spouse for at least eight years and files for the change on or before Dec. 31, 2011. <u>Proposed law</u> does not permit a change to the original benefit payment option selected by the retiree.

<u>Proposed law</u> requires any change in beneficiary made pursuant to <u>proposed law</u> to be submitted to the MPERS board for actuarial evaluation. Requires the benefit payable to the retiree and his newly designated beneficiary to be actuarially equivalent to the original benefit. Prohibits any such change in beneficiary from creating additional liabilities for the system and from conflicting with any court order relating to the division of community property.

Effective July 1, 2011.

(Amends R.S. 11:2224(E))