

Regular Session, 2011

HOUSE BILL NO. 332

BY REPRESENTATIVE PEARSON AND SENATOR GAUTREAUX

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

1 AN ACT

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

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

15 Be it enacted by the Legislature of Louisiana:

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

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

23 \* \* \*

1 (3) Firefighters' Retirement System ~~=8%~~ ;

2 (a) Any member whose earnable compensation is less than or equal to the  
3 most recently issued poverty guidelines issued by the United States Department of  
4 Health and Human Services according to the size of the member's family unit - 8%.

5 (b) For employee contributions due and payable July 1, 2011, or thereafter,  
6 any member whose earnable compensation is more than the most recently issued  
7 poverty guidelines issued by the United States Department of Health and Human  
8 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>contributions is:</u>	<u>The employee contribution</u> <u>shall be:</u>
<u>25.0% or below</u>	<u>8.0%</u>
<u>25.01% to 25.75%</u>	<u>8.25%</u>
<u>25.76% to 26.5%</u>	<u>8.5%</u>
<u>26.51% to 27.25%</u>	<u>8.75%</u>
<u>27.26% to 28.0%</u>	<u>9.0%</u>
<u>28.01% to 28.75%</u>	<u>9.25%</u>
<u>28.76% to 29.5%</u>	<u>9.5%</u>
<u>29.51% to 30.25%</u>	<u>9.75%</u>
<u>30.26% or above</u>	<u>10.0%</u>

23 \* \* \*

24 (6) Municipal Police Employees' Retirement System ~~=8%~~ ;

25 (a) Any member whose earnable compensation is less than or equal to the  
26 most recently issued poverty guidelines issued by the United States Department of  
27 Health and Human Services according to the size of the member's family unit - 7.5%.

28 (b) For employee contributions due and payable July 1, 2011, or thereafter,  
29 any member whose earnable compensation is more than the most recently issued

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.

\* \* \*

§2213. Definitions

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

\* \* \*

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

\* \* \*

§2225. Administration

A. Board of trustees:

\* \* \*

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.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_