HLS 10RS-1613 ENGROSSED

Regular Session, 2010

HOUSE BILL NO. 747

1

BY REPRESENTATIVE ARNOLD

RETIREMENT/LOCAL: Relative to the Harbor Police Retirement System (Port of New Orleans), provides that persons retired from other systems are eligible for membership from their date of hire

AN ACT

2 To amend and reenact R.S. 11:3683(3)(b) and 3690(D)(1), (3), and (6) and to repeal R.S. 3 11:3690(D)(8), relative to the Harbor Police Retirement System (Port of New 4 Orleans); to provide for membership in such system; to allow certain retirees of other 5 systems to be members of such system; to provide relative to employer 6 contributions; to provide an effective date; 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. R.S. 11:3683(3)(b) and 3690(D)(1), (3), and (6) are hereby amended and 12 reenacted to read as follows: 13 §3683. Membership 14 The membership of the retirement system shall be composed as follows: 15 16 (3) 17 18 (b) Any employee who is employed on July 7, 2003, who has retired from 19 service under any retirement system of this state partly or wholly financed by public

Page 1 of 4

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

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

24

25

27

28

funds, who is receiving retirement benefits therefrom, and who was prohibited from becoming a member of this system upon his initial employment solely on this basis shall become a member of this system prospectively only, beginning on July 17, 2003, and from the date of his initial employment provided he meets all other eligibility requirements; however, any such employee may purchase credit for previous service only in compliance with the provisions of R.S. 11:158 provisions relating to actuarial calculation of purchase price. §3690. Method of financing D. Pension accumulation fund. The Pension Accumulation Fund shall be the fund in which shall be accumulated all reserves for the payment of all pensions and other benefits payable from contributions made by employers. Contributions to and payments from the Pension Accumulation Fund shall be made as follows: (1) On account of each member there shall be paid annually into the Pension Accumulation Fund for the preceding fiscal year an amount equal to a certain percentage of the earnable compensation of each member to be known as the "Normal Contribution", and an additional amount equal to a percentage of his earnable compensation to be known as the "Accrued Liability Contribution". The rate per centum of such contributions shall be fixed on the basis of the liabilities of the retirement system as shown by actuarial valuation; subject to the limitation of Paragraph D(8). 23 (3) The Port Commission shall annually contribute an amount equal to the rate per centum determined herein in accordance with Paragraphs Paragraph D(4) 26 and (8). The first contribution under this Subpart shall begin with the fiscal year

beginning July 1, 1971, and shall be made annually thereafter.

1 (6) The total amount payable in each year to the Pension Accumulation Fund 2 shall be not less than the sum of the rate per centum known as the "Normal 3 Contribution Rate" and the "Accrued Liability Contribution Rate" of the total 4 compensation earned by all members during the preceding year and shall not exceed 5 the limitation set forth in Paragraph D(8). 6 7 Section 2. R.S. 11:3690(D)(8) is hereby repealed in its entirety. 8 Section 3. This Act shall become effective on July 1, 2010; if vetoed by the governor 9 and subsequently approved by the legislature, this Act shall become effective on July 1, 10 2010, or on the day following such approval by the legislature, whichever is later.

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)]

Arnold HB No. 747

Abstract: Relative to the Harbor Police Retirement System (Port of New Orleans) (HPRS), allows certain retirees of other retirement systems to be members. Removes the 13% cap on employer contributions.

<u>Present law</u> prohibits any person employed on July 7, 2003, who has retired from another retirement system, from becoming a member of HPRS upon his initial employment. Rather, membership shall be prospective from July 7, 2003, forward.

<u>Proposed law</u> repeals <u>present law</u>'s prohibitions and allows a retiree of another system, who is employed on July 7, 2003, to become a member of HPRS from his date of employment, rather than prospectively only from July 7, 2003.

<u>Present law</u> requires payment of annual employer contributions from the Board of Commissioners of the Port of New Orleans to HPRS as a percentage of earnable compensation (payroll) in an amount sufficient to fund the liabilities and costs of benefits of HPRS. However, <u>present law</u> provides that such amount shall be limited to 13% of payroll.

Proposed law removes present law's 13% cap on employer contributions.

Effective July 1, 2010.

(Amends R.S. 11:3683(3)(b) and 3690(D)(1), (3), and (6); Repeals R.S. 11:3690(D)(8))

Summary of Amendments Adopted by House

Committee Amendments Proposed by <u>House Committee on Retirement</u> to the <u>original</u> bill.

1. Removes <u>present law</u>'s 13% cap on employer contributions.