

RÉSUMÉ DIGEST

ACT 43 (HB 44)

2015 Regular Session

Miller

Existing law establishes the Municipal Police Employees' Retirement System (MPERS) to provide pension benefits for retirees and beneficiaries of full-time municipal police officers and chiefs of police.

New law requires any municipality who fully terminates participation in MPERS, through complete dissolution of its police force or partially terminates participation through salary cuts of more than 30% to salaries of its existing police force, to pay to the system any Unfunded Accrued Liability (UAL) attributable to its prior participation. In the event of full termination, new law requires payment of the employer's portion of the UAL existing on the June 30th immediately prior to the date of termination, including interest at the system's valuation rate. In the event of partial termination, the employer is liable for a pro rata portion of the system's UAL, calculated by applying the percentage decrease in fiscal-year over fiscal-year salaries upon which contributions are made to the total payment that would be required in the event of a full termination.

New law requires the system actuary to determine amounts due. Further authorizes the terminating employer to pay the amount due in a lump sum or over a 10 year period with interest at the system's actuarial valuation rate.

New law authorizes the system to collect delinquent amounts due pursuant to new law in one of two ways:

- (1) By filing an action against the delinquent employer in a court of competent jurisdiction. Provides that the amount due shall be collected with interest at the system's actuarial valuation rate, compounded annually.
- (2) By certifying to the state treasurer the name of the delinquent employer and the amount due. Upon receipt of such certification, the treasurer shall deduct from monies payable to the delinquent party the delinquent amount and remit such amount directly to MPERS.

Existing law defines "employer" for the purposes of MPERS law as "any municipality in the state which employs a full-time police officer empowered to make arrests or which has an elected chief of police whose salary is at least \$180 per month, and the Municipal Police Employees' Retirement System." New law provides that for the purposes of new law only, the term "employer" shall also include any municipality that terminates participation pursuant to new law.

Effective upon signature of governor (June 5, 2015).

(Adds R.S. 11:2225.4)