

RÉSUMÉ DIGEST

ACT 314 (HB 683)

2017 Regular Session

Jones

Existing law provides that when a retired member of the Municipal Employees Retirement System of La. (MERS) receiving normal retirement benefits becomes reemployed by a covered employer, his monthly retirement benefit and monthly earnings (collective monthly benefit) shall not exceed his monthly average compensation prior to retirement. If they do, existing law requires that his retirement benefit be reduced as necessary to make his collective monthly benefit equal his monthly average final compensation adjusted to reflect the annual percentage increase or decrease in the Consumer Price Index for the preceding year. Existing law further provides that reemployed retirees shall not become members of the system. New law makes existing law applicable only to retirees who return to work for less than an average of 35 hours per week.

For retired members first reemployed on or after July 1, 2016, existing law requires that during reemployment, the retiree and his employer shall make required contributions to the retirement system, but the retiree shall receive no additional service credit and shall not accrue any additional benefit in the system. Upon termination, the employee contributions paid during reemployment shall, upon application, be refunded to the retiree without interest. MERS retains the employer contribution and interest on contributions. New law makes existing law applicable only to retirees who return to work for less than an average of 35 hours per week.

New law further provides that if a retiree returns to work on or after July 1, 2017, for at least 35 hours per week (full-time), his retirement benefit shall be suspended, and he shall become a member of the system. Upon termination of service, the system shall resume payment of the reemployed retiree's original benefit.

New law provides that if a full-time reemployed retiree works for a period of at least 12 months, he shall accrue a supplemental benefit calculated using his period of service and salary during reemployment. If the reemployed retiree works less than 12 months, he shall not receive a supplemental benefit and his employee contributions shall be returned without interest upon termination of service.

New law limits the supplemental benefit so that when combined with the original benefit it shall not exceed the final compensation figure used to compute the supplemental benefit.

Effective June 30, 2017.

(Amends R.S. 11:1762(A) and (B); Adds R.S. 11:1762.1)