

RÉSUMÉ DIGEST

ACT 249 (HB 21)

2020 Regular Session

Bacala

New law amends various provisions of existing law relative to the Municipal Police Employees' Retirement System (MPERS), including provisions for membership in the system, required medical examinations, reemployment of retirees, survivor benefits, transfers of service credit, and disability benefits.

System Membership

Existing law provides that an elected police chief is a member of the system if his salary is above a monthly minimum. Prior law provided that the monthly minimum was \$100. New law increases the monthly minimum to \$1,000.

Existing law defines employer as a municipality that employs a full-time police officer at a salary above a monthly minimum. Prior law provided that the monthly minimum was \$100. New law increases the monthly minimum to \$1000 per month.

Existing law provides that a person who is 50 years old or older does not become a member upon employment. New law removes the age restriction for persons hired on or after July 1, 2021.

Existing law provides that a person ceases to be a member of the system if he is absent from service for more than five years and is not entitled to a deferred annuity. New law limits the applicability of this provision to a person who is absent for five years prior to July 1, 2021.

Medical Examinations

Existing law requires a new employee to receive a medical examination to be paid for by the employing municipality. Requires the employee to waive any future claim for a disability benefit based on a disability associated with a condition existing at the time of employment. Requires submission of the examination and waivers to the retirement system within six months after employment; upon timely submission of the documents, the person is considered a member from the date of employment.

New law provides that if a medical examination is not completed because the employer refuses to pay for the physical examination, the employer is liable for any disability benefit to which the member would be entitled.

Existing law provides that a person who does not timely submit the examination and waiver documents is a member for purposes of receiving regular benefits but is not eligible for disability benefits until the documents are submitted. New law limits the applicability of existing law to employees who become eligible for membership in the system prior to July 1, 2021. For other employees, new law provides that a person who does not timely submit the documents is a member eligible to begin vesting for regular benefits but is not eligible to begin vesting for disability benefits for an injury not incurred in the line of duty until the documents are submitted.

New law requires completion of a new physical examination if the employee has a break in service longer than one year.

Reemployment of Retirees

Existing law provides relative to retirees who return to work covered by the system. Existing law defines employee such that return to work provisions are generally applicable to retirees who return to work in a full-time position. New law specifically provides that any retiree who is employed full-time by a municipal police department is defined as an employee.

Existing law provides that if the retiree becomes an employee, payment of retirement benefits is suspended and the employee and employer contribute to the system toward creditable service. Upon termination of post-retirement employment, the retiree shall receive an additional retirement benefit based on his additional service. Provides relative to computation and options for the additional benefit.

New law provides relative to the retirement benefits of a retiree who returns to work for an employer in the system but who is not an employee as defined by law. Provides that the retirement benefits of such a person are suspended during any such employment that occurs within 24 months of the person's retirement. Requires the employer and the employee to notify the system of any such reemployment and provides relative to recovery of benefits paid in violation of new law.

Survivor Benefits

Existing law provides for payment of retirement benefits to a surviving spouse. Provides that such benefits cease if the spouse remarries before a specified age. Prior law provided that the age was 60. New law reduces that age to 55. New law also requires a surviving spouse under the age of 55 to annually verify his marital status. Provides for suspension and possible termination of survivor benefits if the spouse fails to timely verify his marital status.

New law provides for the payment of survivor benefits to a special needs trust created for a disabled child.

New law requires claims for survivor benefits or refunds of accumulated contributions to be filed within three years of the death.

Existing law provides for Hazardous Duty and Nonhazardous Duty Subplans of MPERS; members whose first employment making them eligible for membership in the retirement system occurs on or after Jan. 1, 2013, are in one of the subplans. Existing law for members of both subplans requires a member to have at least 10 years of creditable service to be eligible for survivor benefits. New law provides that the 10 years of service requirement is not applicable to a member killed in the line of duty.

Transfer of Service Credit

Prior law, applicable only to MPERS, authorized the transfer of service credit that was earned as a full-time law enforcement officer from another public retirement system. Required that the system from which the individual transferred credit to transfer all employee and employer contributions plus compounded 6% interest. Required that the member pay the difference between the amount transferred and the amount which would have been contributed to MPERS plus interest thereon; however, under certain circumstances, authorized the member to transfer a lesser amount of service credit based on the amount of funds transferred. New law repeals existing law.

Existing law, applicable to retirement systems generally, provides relative to transfers of service credit between systems. Requires that the system from which the person transfers credit to transfer to the receiving system an amount which is the lesser of the following:

- (1) The greater of the actuarial cost to the receiving system for the service transferred or all employee contributions from the transferring system.
- (2) All employee contributions and all employer contributions.

Existing law provides that if the amount transferred is less than the actuarial cost of the service transferred, the person transferring shall pay the difference, including interest thereon, or be granted an amount of credit based on the amount of funds actually transferred and any deficit paid by the member.

Existing law provides that if the accrual rate of the receiving system is greater than the accrual rate of the transferring system, the person may purchase the accrual rate of the receiving system for the purpose of applying that accrual rate to the transferred service credit.

New law authorizes a member transferring service credit to MPERS to pay for the higher accrual rate to be applicable to all or any portion of the transferred service credit.

Disability Retirement

New law requires that claims for disability benefits by a person who becomes disabled after June 30, 2021, be filed within three years from the date of disability.

New law authorizes a member to appeal a decision made by a physician or by the MPERS board of trustees regarding eligibility for disability benefits. Provides that such an appeal shall be made to the Nineteenth Judicial District Court; requires that the petition be filed with the court within 30 days after receipt of written notice of the decision.

Existing law authorizes the board of trustees of a retirement system to require that a disability retiree who has not reached the age of regular retirement to undergo periodic medical examinations to determine continued eligibility for disability retirement benefits. Provides that payment for such medical exams are the retiree's responsibility. New law provides that MPERS shall pay for such examinations of its retirees.

Other Provisions

Existing law provides retirement benefit options that include the continued payment of some level of retirement benefit to a beneficiary after the death of the retiree. New law provides that a member who is married under a community property regime has only one option, a 50% joint and survivor annuity, unless the spouse consents to another option or the member proves that he cannot locate the spouse.

New law requires the board of trustees to use all reasonable means to collect benefits paid by the system to an individual who was not due the benefit. Provides for prescriptive periods on such collections. Authorizes withholdings from future benefits to collect such overpayments.

Effective July 1, 2020.

(Amends R.S. 11:2213(11)(b) and (12), 2214(A)(2)(a) and (d)(ii) and (B), 2220(B)(1)(a)(i) and (2)(d), 2223(F), 2241.4, 2241.8(1)(a), and 2242.8(1)(a); Adds R.S. 11:2213(11)(h), (12.1), and (21.1), 2214(A)(2)(d)(iv) and (v), 2220(B)(2)(e) and (6) and (J), (K), and (L), 2223(A)(3) and (G), 2224(G) and (H), 2241.8(5), and 2242.8(5); Repeals R.S. 11:2219)