
DIGEST

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HB 34 Engrossed

2023 Regular Session

Bacala

Abstract: Establishes a funding deposit account for the Municipal Police Employees' Retirement System (MPERS) for the purpose of funding additional benefits for retirees, survivors, and beneficiaries.

Proposed law establishes a funding deposit account for MPERS.

Proposed law authorizes the board of trustees to require an employer contribution rate up to the following limits:

- (1) When the contribution rate is equal or greater than the previous year's rate, the board can set the rate at the otherwise required rate plus .85%.
- (2) When the contribution rate is lower than the previous year's rate, the board can set the rate at the otherwise required rate plus .85% plus half the difference between the rates for the two years.

Proposed law authorizes, in FY 23-24, the board of trustees to require an employer contribution rate up to the following limits rather than the limits above:

- (1) When the contribution rate is equal or greater than the previous year's rate, the board can set the rate at the otherwise required rate plus .425%.
- (2) When the contribution rate is lower than the previous year's rate, the board can set the rate at the otherwise required rate plus .425% plus half the difference between the rates for the two years.

Proposed law required that excess contribution be applied to reduce the outstanding balance of the oldest amortization base or to additional benefits for retirees, survivors, and beneficiaries.

Proposed law authorizes the board to dedicate a specific amount of the excess contributions, .85% greater than the contribution rate, to fund additional benefits.

Proposed law provides that a additional benefits shall be paid only with funds from the funding deposit account and only when funds are sufficient.

Proposed law provides that the board of trustees shall determine the following when granting

additional benefits:

- (1) Whether the benefits are permanent or nonrecurring. Provides that a nonrecurring lump-sum payment may be paid from the funding deposit account only once in any three-year period.
- (2) Whether the benefits are based on the retiree or survivor's current or original benefit.
- (3) Whether a minimum age is required.
- (4) Whether a retiree or survivor is required to meet a minimum period since benefit commencement.

Proposed law provides that permanent benefits increases may not exceed 3% of benefit, and additional benefits are not payable until one year after benefit commencement.

Proposed law requires that an adjustment to benefits be made by formal action by the board of trustees.

Effective July 1, 2023.

(Adds R.S. 11:2225.5; Repeals R.S. 11:107.2, 243(A)(8), 246(A)(8), and 2225(A)(7))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Retirement to the original bill:

1. Limit the authorized contribution rate increase in the first year.