RÉSUMÉ DIGEST

ACT 108 (HB 34) **2023 Regular Session** **Bacala**

Prior law authorized the Municipal Police Employees' Retirement System (MPERS), in any fiscal year during which the employer contribution rate would be decreased, to maintain the previous fiscal year's employer contribution rate or to set the employer contribution rate at any point between the previous year's and the contribution rate that would be otherwise occur. Required the use of resulting funds to reduce unfunded accrued liabilities and outstanding amortization charge bases.

Prior law authorized various cost-of-living adjustments.

New law repeals prior law.

New law establishes a funding deposit account for MPERS.

New 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 .85% greater than the fiscal year's rate.

(2) In a fiscal year when the contribution rate is lower than the previous year, the board can set the rate at the otherwise required rate plus .85% plus half the difference between the rates for the two years.

New law sets a lower maximum rate increase for FY 2023-2024.

New law requires that excess contributions be applied to reduce the outstanding balance of the oldest amortization base or to pay additional benefits.

New law authorizes the board to dedicate a specific amount of the excess contribution, the amount generated by an .85% increase in the contribution rate, to fund additional benefits.

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

New law provides that the board of trustees shall determine the following when granting additional benefits:

(1) Whether the benefits are permanent or nonrecurring. Prohibits granting a nonrecurring lump sum payment more than once in a 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 minimum period since benefit commencement is required.

New law prohibits:

(1) Payment of a permanent benefit increase in excess of 3%.

(2) Payment of an additional benefit in the first year after the benefit commencement.

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

New law provides relative to statutory incorporation of new law vis-a-vis Act. No. 360 of the 2022 R.S.

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))