

2024 Regular Session

HOUSE BILL NO. 42

BY REPRESENTATIVES FIRMENET AND BUTLER

RETIREMENT/MUNICIPAL POL: Provides relative to membership in the Municipal Police Employees' Retirement System

1 AN ACT

2 To amend and reenact R.S. 11:157(A)(1), 2213(11)(introductory paragraph) and (12), 2214,
3 2225(A)(2)(a), and 2227(D)(2) and to enact R.S. 11:157(A)(3) and 2214.1, relative
4 to the Municipal Police Employees' Retirement System; to provide for membership
5 in the system; to provide for definitions; to provide for the composition of the board
6 of trustees of the system; to provide relative to collection of delinquent payments;
7 to provide for an effective date; and to provide for related matters.

8 Notice of intention to introduce this Act has been published
9 as provided by Article X, Section 29(C) of the Constitution
10 of Louisiana.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 11:157(A)(1), 2213(11)(introductory paragraph) and (12), 2214,
13 2225(A)(2)(a), and 2227(D)(2) are hereby amended and reenacted and R.S. 11:157(A)(3)
14 and 2214.1 are hereby enacted to read as follows:

15 §157. Firefighters' Retirement System; Municipal Police Employees' Retirement
16 System; optional membership; refund of employee contributions; irrevocable
17 election; reenrollment; membership verification information

18 A.(1) Notwithstanding any other provision of law to the contrary but subject
19 to limitations provided by this Section, any employee as defined in R.S. 11:2213 or
20 2252 who is employed by any employer as defined in R.S. 11:2213 or 2252 which

1 has its employees covered under the federal Social Security program and which has
 2 not previously and specifically excluded its police officers or firefighters from
 3 coverage under this federal program may elect not to be or elect not to become a
 4 member of the applicable retirement system; however, the employer shall enroll the
 5 employee in the applicable retirement system at the time of employment, and the
 6 employee shall remain enrolled until he fulfills the requirements set forth in
 7 Paragraph (C)(1) of this Section. Any employee who elects not to be a member of
 8 the applicable retirement system shall be refunded his employee contributions which
 9 have been received by the system, without interest for the period for which he
 10 contributed to the system.

* * *

12 (3) No employee as defined by R.S. 11:2213 may elect not to become a
 13 member of the Municipal Police Employees' Retirement System after the effective
 14 date of this Paragraph.

* * *

16 §2213. Definitions

17 The following words and phrases, as used in this Chapter, unless a different
 18 meaning is plainly required by context, shall have the following meanings:

* * *

20 (11) "Employee" shall mean any person who was a member of the system
 21 on January 1, 2025, and who is employed in any of the following classifications and
 22 any person employed by an employer in any of the following classifications:

* * *

24 (12) "Employer" shall mean any municipality in the state of Louisiana ~~which~~
 25 that enters an agreement with the system to extend the benefits of this Chapter to its
 26 employees in accordance with R.S. 11:2214.1 and that either employs a full-time

1 police officer; empowered to make arrests; or ~~which~~ has an elected chief of police
2 whose salary is at least one thousand dollars per month; and the Municipal Police
3 Employees' Retirement System.

4 * * *

5 §2214. Membership

6 ~~A. The membership of the retirement system shall be composed as follows:~~

7 ~~(1) All persons who are members on September 7, 1977, shall remain~~
8 ~~members as a condition of their employment.~~

9 ~~(2)(a) Except as provided further in this Paragraph, any A. Any person who~~
10 ~~becomes an employee as defined in R.S. 11:2213 on and after September 9, 1977,~~
11 ~~shall become a member as a condition of his employment. However, a person who~~
12 ~~becomes an employee before July 1, 2021, shall become a member only if he is~~
13 ~~under fifty years of age at the date of employment.~~

14 ~~(b)(i) The mandatory membership provisions of this Paragraph shall be~~
15 ~~inapplicable with respect to the municipalities of Houma and Baton Rouge, subject~~
16 ~~to the provisions of Item (ii) of this Subparagraph.~~

17 ~~(ii) Subject to the provisions of R.S. 11:2225(A)(11)(a)(ii), the mandatory~~
18 ~~membership provisions of this Paragraph shall apply to the municipality of Baton~~
19 ~~Rouge with respect to all law enforcement employees meeting the definition of~~
20 ~~"employee" under the provisions of this Chapter after the boards of trustees of this~~
21 ~~retirement system and of the Baton Rouge City Parish Employees' Retirement~~
22 ~~System enter into an agreement to merge any members of the latter system who~~
23 ~~qualify as employees under the provisions of this Chapter into this system. However,~~
24 ~~any such agreement shall only be effective upon ratification by ordinance of the~~
25 ~~Metropolitan Council of the city of Baton Rouge and the parish of East Baton Rouge,~~
26 ~~with the approval of the mayor-president, and subsequent approval by the Joint~~
27 ~~Legislative Committee on Retirement.~~

28 (c) Except as otherwise provided in this Section, the mandatory membership
29 provisions of this Paragraph shall be inapplicable with respect to any municipality,

1 ~~which on or before January 1, 1978, enacts an ordinance exempting the municipality~~
2 ~~from the provisions of this Paragraph, which ordinance is hereby authorized.~~

3 (d)(i) B.(1) To be eligible for membership in the system, an employee hired
4 on or after July 1, 2003, shall complete a physical examination to be paid for by the
5 employing municipality. If the current physical or mental condition or medical
6 history of an employee, as reflected on the physical examination form, does not
7 conform to the guidelines established by the State Medical Disability Board
8 physician, the employee shall be required to execute a waiver for any condition or
9 history that does not conform to such guidelines, releasing any claim for disability
10 retirement based thereon.

11 (ii) (2) The submission to a physical examination and the execution of any
12 waivers of preexisting conditions or history shall be completed and all
13 documentation related thereto received by the system within six months after the
14 date of employment. The employee is then a member of the system from the date
15 of employment. If the documentation for an employee whose employment making
16 him eligible for membership in the system occurs on or before June 30, 2021, is not
17 received by the system within the allotted time period, the employee shall be a
18 member for purposes of receiving regular benefits from the date of employment but
19 shall not be eligible for disability benefits until the documentation has been received
20 by the system except as provided in Item (iii) of this Subparagraph. If the system
21 does not receive the documentation within the allotted time period for an employee
22 whose employment making him eligible for membership in the system occurred after
23 June 30, 2021, the employee shall be a member eligible to begin vesting for regular
24 benefits from the date of employment but shall not be eligible to begin vesting for
25 disability benefits for an injury not incurred in the line of duty until the
26 documentation is received.

27 (iii) (3) The employing municipality shall ensure that the physical
28 examination is timely completed and any waiver associated therewith is received by
29 the system or shall provide the system with notification of noncompliance by the

1 employee. Should any employee for whom the required documentation has not been
2 submitted apply for disability benefits, that employee shall be required to prove that
3 the disabling condition was not preexisting.

4 ~~(iv)~~ (4) A new physical examination shall be completed for any employee
5 who has a break in service longer than one year.

6 ~~(v)~~ (5) If the physical examination is not completed because the employer
7 refused to pay for the physical examination, the employer is liable for any disability
8 benefit to which the member becomes entitled.

9 ~~(e) Any person who is receiving or has received a disability retirement~~
10 ~~benefit from any law enforcement or police retirement plan or pension and relief~~
11 ~~fund for policemen, except disability retirees of this system, shall not be eligible for~~
12 ~~membership in the Municipal Police Employees' Retirement System if he ceases to~~
13 ~~have a disability and returns to service in the same municipality or becomes~~
14 ~~employed as a policeman or law enforcement officer while receiving a disability~~
15 ~~benefit.~~

16 ~~(3) Any person who is an employee as defined in R.S. 11:2213, and who,~~
17 ~~prior to September 9, 1977, was eligible for membership, but which membership was~~
18 ~~not mandatory, may become a member of this system at his option, provided he is~~
19 ~~under fifty years of age at the time of application for membership.~~

20 ~~(4)~~ C. Any person who has retired from service under any retirement system
21 or pension fund maintained basically for public officers and employees of the state,
22 its agencies or political subdivisions, and who is receiving retirement benefits
23 therefrom shall be eligible to become a member of this system, provided he not be
24 given credit for any service for which he is entitled to retirement benefits under
25 another system, and further provided that he is otherwise eligible for membership.

26 ~~B. If a member is absent from service for more than five years on or before~~
27 ~~June 30, 2021, and is not entitled to a deferred annuity as provided in this Chapter~~
28 ~~or if a member withdraws his accumulated contributions, becomes a beneficiary, or~~
29 ~~dies, he shall thereupon cease to be a member.~~

1 §2214.1. Agreement for coverage of employees

2 A. Each municipality may submit for board approval an agreement for
3 extending the benefits of this Chapter to its employees. Each such agreement or
4 amendment thereof shall be approved by the board if it is in conformity with the
5 rules of the board, the requirements of this Chapter, and applicable state laws. Each
6 agreement shall:

7 (1) Designate the classes of employees to be enrolled and certify that such
8 employees meet the membership criteria of this Chapter.

9 (2) Specify that all eligible employees shall become members in this system
10 on the agreement date and all future employees shall become members as a condition
11 of employment.

12 (3) Certify all periods of employment for each employee and specify the
13 extent to which credit for such prior service shall be granted.

14 (4) Provide as an attachment to the agreement, and at the employer's
15 expense, an actuarial study of the total existing accrued liability.

16 (5) Provide for payment to the system at time of enrollment of an amount to
17 be determined by the board in accordance with its funding philosophy to offset the
18 increase in accrued liability to the system.

19 (6) Specify the source or sources from which the funds necessary to make
20 the payments required by this Chapter are expected to be derived, that such sources
21 will be adequate for such purpose, and that all contributions required by this Chapter
22 shall be collected and remitted to the system.

23 (7) Provide for the appointment of an authorized agent.

24 (8) Provide that the authorized agent shall make such reports, in such form,
25 containing such information, as the board may from time to time require, and comply
26 with such provisions as the board may find necessary to assure the correctness and
27 completeness of such reports.

28 (9) Authorize the board to terminate the plan in its entirety if it finds a failure
29 to comply substantially with any provision contained in such plan, such termination

1 to take effect at the expiration of such notice and on such conditions as provided by
2 the board.

3 B. The board shall not finally refuse to approve an agreement submitted
4 under Subsection A of this Section nor terminate an agreement without reasonable
5 notice and opportunity for hearing to each employer affected thereby.

6 * * *

7 §2225. Administration

8 A.

9 * * *

10 (2)(a) The board shall consist of ~~fifteen~~ nineteen trustees as follows: Seven
11 members, three of whom shall not be chiefs of police but shall be active contributing
12 members of the system with ten or more years of creditable service, and four of
13 whom shall be active contributing chiefs of police, with four or more years of
14 creditable service provided that no municipal police department shall have more than
15 one member and one chief of police on the board at the same time; two regular
16 retirees of the system, one retired from Chiefs District I and one retired from Chiefs
17 District II as those districts are comprised in Subparagraphs (b) and (c) of this
18 Paragraph; three ex officio trustees to include the chairman of the Senate Committee
19 on Retirement or his designee, the commissioner of administration or his designee,
20 and the state treasurer or his designee; a member of the House Committee on
21 Retirement appointed by the speaker of the House of Representatives or the
22 member's designee; and ~~two~~ six mayors appointed by the Louisiana Municipal
23 Association from municipalities having police departments participating in the
24 system, to serve at the pleasure of the Louisiana Municipal Association. The retired
25 trustees shall be elected by the retired members of the system for a term of five years
26 with the first retired trustees' terms to commence on July 1, 1997. Whenever the
27 term of a board member expires, the term of the newly elected board member shall
28 be for a term of five years. The director of the retirement system shall be selected

1 by the board of trustees. Election of members shall be under such rules and
2 regulations as the board of trustees shall establish.

3 * * *

4 §2227. Method of financing

5 * * *

6 D. Pension accumulation fund:

7 The pension accumulation fund shall be the fund in which shall be
8 accumulated all reserves for the payment of all pension and benefits payable from
9 contributions made by employers. Contributions to and payments from the pension
10 accumulation fund shall be made as follows:

11 * * *

12 (2) Delinquent payments due under ~~R.S. 11:2227(B)(1) and 2227(D)(1)~~
13 Paragraph (B)(1) or (D)(1) of this Section may be recovered through ~~either of the~~
14 following actions:

15 (a) Through an action initiated in a court of competent jurisdiction against
16 the political subdivision or instrumentality liable therefor together with interest
17 charged at the legal rate computed from the date the payment became delinquent.
18 Any action instituted by the retirement system or its board of trustees against any
19 employer or member included in the system to recover delinquent payments or
20 damages associated with delinquent payments is subject to a liberative prescription
21 of three years and is subject to the provisions of the Louisiana Governmental Claims
22 Act.

23 ~~(a)(b) Upon certification presentation to the state treasurer and written notice~~
24 ~~to the municipality by the director that a municipality's monthly report and payment~~
25 ~~of contributions is delinquent,~~ of a final judgment from a court of competent
26 jurisdiction, the state treasurer shall deduct the amount of the delinquent
27 contributions in the judgement from any monies then available for distribution to or
28 for the benefit of that municipality and shall transmit said amount directly to the
29 board of trustees of the retirement system. Upon making such a deduction, the state

Present law generally provides that any person who becomes an "employee" is a member of the system as a condition of employment. Provides some specific exceptions, most of which are no longer applicable. Proposed law retains present law without the exceptions.

Present law authorizes an employee who would be a member of MPERS to choose not to be a member of MPERS if the employees of the municipality that employs him are covered by Social Security.

Proposed law removes present law.

Proposed law requires that agreements between municipalities and MPERS:

- (1) Designate and certify the class of employees that meet the membership criteria.
- (2) Specify that employees become members of the system on the agreement date and all future employees become members of the system as a condition of their employment.
- (3) Certify all periods of employment for each employee and credit for prior service.
- (4) Provide an actuarial study for total existing accrued liability.
- (5) Provide for payment to the system to offset an increase in accrued liability.
- (6) Specify a source of income for required contributions to MPERS.
- (7) Provide for the appointment of an authorized agent.
- (8) Provide that the authorized agent shall make reports containing information as needed by the board of trustees.
- (9) Authorize the board of trustees to terminate the agreement if it finds failure to comply.

Proposed law provides that an agreement cannot be refused or terminated without reasonable notice and opportunity for hearing to each affected employer.

Present law provides that the MPERS board of trustees is composed of 15 members as follows:

- (1) Three active contributing members of the system with 10 or more years of service credit.
- (2) Four active contributing chiefs of police with 4 or more years of service credit.
- (3) Two regular retirees of the system.
- (4) The chairman of the Senate Committee on Retirement or his designee.
- (5) The commissioner of administration or his designee.
- (6) The state treasurer or his designee.
- (7) A member of the House Committee on Retirement appointed by the Speaker.
- (8) Two mayors appointed by the La. Municipal Assoc (LMA).

Proposed law increases membership to 19 members by adding four additional mayors appointed by the LMA.

Present law provides legal procedures by which MPERS collects delinquent payments. Provides for the treasurer to withhold certain funds otherwise owed to a municipality in order to satisfy the municipality's delinquent payments.

Proposed law retains present law and provides that any action instituted by the retirement system to recover delinquent payments or damages associated with delinquent payments is subject to a liberative prescription of three years and is subject to the La. Governmental Claims Act.

Effective January 1, 2025.

(Amends R.S. 11:157(A)(1), 2213(11)(intro. para.) and (12), 2214, 2225(A)(2)(a), and 2227(D)(2); Adds R.S. 11:157(A)(3) and 2214.1)