
DIGEST

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HB 42 Original

2024 Regular Session

Firment

Abstract: Provides that employees of a municipality shall be members of the Municipal Police Employees' Retirement System (MPERS) only if the municipality opts-in to the retirement system by entering an agreement with the system. Provides relative to the composition of the MPERS board of trustees. Provides relative to the collection of delinquent payments to the system.

Present law provides with respect to membership in MPERS. Provides that a municipality that employs a full-time police officer empowered to make arrests or that has an elected police chief whose salary is at least \$1,000 per month is an "employer".

Proposed law provides that such a municipality is an "employer" only if it enters an agreement with MPERS to extend the benefits of present law to its employees.

Present law provides that various classes of employees are members of the retirement system.

Proposed law provides that the same classes of employees are members of the system but only if they are employed by an "employer", that is a municipality that has entered an agreement with the retirement system. Provides that anyone who is a member on Jan. 1, 2025, remains a member while he remains employed in such a position even if his employing municipality does not enter an agreement with the system.

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 Provides some specific exceptions, most of which are no longer applicable.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)