
DIGEST

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HB 43 Engrossed

2024 Regular Session

Bacala

Abstract: Provides relative to the Municipal Police Employees' Retirement System (MPERS) including provisions for: UAL payments by municipalities that dissolve or substantially reduce their police departments; deadlines for submission of member information and reports; penalties for failing to timely submit information or reports; and service on the MPERS board of trustees.

Proposed law requires MPERS employers to submit to the retirement system a fully completed membership enrollment form, a copy of the birth certificate and Social Security card for each member it employs and his beneficiaries within 90 days after employment.

Present law requires an employee to have a physical examination and further requires that the examination and the execution of any waivers of preexisting conditions or history be received by the system within six months after employment.

Proposed law changes the deadline for submitting the physical examination to the system to 90 days after employment.

Proposed law provides that an employer that does not submit the required materials within 90 days shall pay a fine of \$20 per day per member whose documents have not be submitted, subject to a maximum of \$2,000 per member. Provides for interest on unpaid amounts. Provides that no retiree or beneficiary shall receive benefits if the documents are not received and fines not paid. Provides that an affidavit opting out of membership in the system, as authorized by present law, is not effective until the date that such documents are provided and fines paid.

Present law provides that the MPERS system is governed by a board of trustees comprised of 15 members. Board membership includes seven active contributing members, four of whom shall be police chiefs and three of whom shall not be chiefs.

Proposed law provides that if such a member of the board with no more than two years left in his term becomes a retiree of the system or is no longer a police chief, he shall continue to serve as a member of the board until the expiration of the term for which he was elected.

Proposed law requires a municipality that employed a police officer or chief within the previous 10 fiscal years to submit reports to the system as follows:

- (1) Reports shall be submitted not later than the 15th day of each month.

- (2) The reports shall include the amount of earnable compensation per employee and shall separately report state supplemental pay and the amount of compensation paid for overtime. The report shall include other information prescribed by the board.
- (3) If a report is in error as to the earnable compensation of any member and such an error results in an overpayment of benefits by the system, the municipality shall reimburse the system for the overpayments within 30 days after notification of the discovery of the error or overpayment.
- (4) The penalty for failing to timely file such reports is \$100 per day, subject to a maximum of \$2,000 per month. Once the penalty meets the maximum, the municipality is also required to pay interest on the penalty.

Present law requires a municipality that dissolves or substantially reduces the size of its police department to make certain unfunded accrued liability payments to MPERS based on the size of the department prior to the reduction.

Proposed law provides for a 25% penalty for unpaid accrued liability payments when a department dissolves or reduces its size. Further provides that the employer shall reimburse the system any legal and actuarial fees associated with collection of the payments.

Present law provides that if an employer fails to transmit employer or employee contributions within five days after their due date, the payment is delinquent. Provides as follows relative to delinquent payments:

- (1) They shall include interest charged at the legal rate and an amount to reimburse the system any legal and actuarial fees.
- (2) Contributions that are delinquent for more than 90 days are subject to a penalty of 25%.
- (3) Any employer who is delinquent for more than 180 days is also liable for an amount equal to the actuarial cost of a purchase of the service credit for which contributions were not timely paid.

Proposed law provides that for contribution amounts that became delinquent on or before June 30, 2024, the board of trustees may approve a payment plan for a term of up to 15 years if the employer:

- (1) Enrolled all eligible employees on or before June 30, 2024.
- (2) Timely enrolls all eligible employees thereafter.
- (3) Complies with mandatory reporting and enrollment laws.
- (4) Pays contributions as the amounts become due for current employees.

- (5) Pays all amounts due under present law not later than the first day benefits become payable to any employee, beneficiary, or survivor.

Proposed law prohibits the board from collecting any amounts due under present law that are owed by any employer that enrolled all eligible employees on or before June 30, 2024, that are related to any former employee who was not timely enrolled or not enrolled while employed, and that first became due before June 30, 2021. Provides that amounts due arising on or after July 1, 2024, never prescribe.

Proposed law provides that an employer that fails to properly enroll an employee is also subject to a penalty of \$50 per day.

Effective July 1, 2024.

(Amends R.S. 11:2214(A)(2)(a) and (d)(ii), 2225(A)(3)(a), 2225.4(A)(1), (B)(1), and (C)(1), and 2227(A) and (B)(1)(intro. para.); Adds R.S. 11:2227(J)(3), (K), and (L))

Summary of Amendments Adopted by House

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

1. Remove proposed law regarding partial dissolution of police departments and the calculation of UAL payment related thereto.
2. Decrease the fine for not providing documents to the retirement system from \$100 per day to \$20 per day.
3. Add a penalty of \$50 per day for a municipality that fails to enroll a member in the system who should have been enrolled.
4. Add a provision for a 15-year payment plan for certain municipalities that have outstanding amounts owed to the system.
5. Add provisions prohibiting the board from collecting certain amounts due and providing that other amounts due never prescribe.