
HOUSE COMMITTEE AMENDMENTS

2026 Regular Session

Substitute for Original House Bill No. 49 by Representative Bacala as proposed by the House Committee on Retirement

This document reflects the content of a substitute bill but is not in a bill form; page numbers in this document DO NOT correspond to page numbers in the substitute bill itself.

To amend and reenact R.S. 11:157(C)(1), 2262.1(A)(1) and (2) and (B), to enact R.S. 11:2262.1(D)(3) and (4), and to repeal R.S. 11:2225.4, relative to the Municipal Police Employees' Retirement System and the Firefighters' Retirement System; to provide relative to membership in the systems; to provide relative to partial dissolution of a police department or a fire department; to provide relative to the payment of unfunded accrued liability by employers; to provide for certain determinations; to provide for timing of payments; to provide for definitions; to provide relative to employer contributions; to provide for effectiveness; and to provide for related matters.

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

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:157(C)(1), 2262.1(A)(1) and (2) and (B) are hereby amended and reenacted and R.S. 11:2262.1(D)(3) and (4) are hereby enacted to read as follows:

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

* * *

C.(1) Any employee who elects not to become a member of the applicable retirement system set forth in Subsection A of this Section shall, before such election can become valid, execute and file with the retirement system an affidavit stating that his election not to be a member is of his own free will and is his own voluntary

act and deed. The affidavit shall be signed and notarized by the chief of police or mayor of the employing municipality.

* * *

§2262.1. Dissolution of fire department; unfunded accrued liability; payment by employer

A.(1)(a) If an employer fully dissolves its fire department, the employer shall remit to the system, beginning the first July immediately following the date of dissolution, that portion of the unfunded accrued liability existing on the thirtieth of June immediately prior to the date of dissolution of the fire department that is attributable to such employer and calculated using the allocation percentage included in the prior fiscal year's employer pension report produced according to requirements established by the Governmental Accounting Standards Board. The amount due pursuant to the provisions of this Paragraph shall include interest at the system's valuation interest rate.

(b) For the purposes of this Section, the actuary employed by the system may make adjustments to the allocation percentages included in the employer pension report for the prior fiscal year based on additional information.

(2)(a) If an employer partially dissolves its fire department during a fiscal year, the employer shall be liable for a pro rata portion of the system's unfunded accrued liability. The portion shall be calculated by ~~applying the percentage decrease in the salaries paid to participating employees by the employer on the thirtieth of June and salaries paid to participating employees by the employer as of the thirtieth of June of the prior year to~~ multiplying the total payment that would have been required pursuant to the provisions of Paragraph (1) of this Subsection if ~~the employer had fully dissolved its fire department. Payments required pursuant to the provisions of this Paragraph shall include interest at the system's valuation interest rate.~~ by the ratio of the difference between the fiscal year's base employee count and the fiscal year's participating employee count to the prior fiscal year's participating employee count. Payments required pursuant to the provisions of this Paragraph shall include interest at the system's valuation interest rate.

(b) A participating employer shall be deemed to have partially dissolved its fire department if ~~either~~ during a fiscal year if any of the following occurs:

(i) ~~The number of participating employees of the employer as of June thirtieth~~ employee count is zero.

(ii) The participating employee count is less than seventy percent of the ~~number of participating employees of~~ base employee count rounded down to the nearest whole number, and ~~the employer as of June thirtieth of~~ difference between the base employee count and the participating employee count is at least three. ~~the prior year and either the number of participating employees decreases by at least two or the number of participating employees is zero.~~

~~(ii) (iii)~~ (iii) ~~The number of participating employees of the employer as of June thirtieth~~ employee count is at least fifty fewer than the ~~number of participating employees of the employer as of June thirtieth of the prior year~~ base employee count.

B.(1) Any amount due pursuant to Subsection A of this Section shall be determined by the actuary employed by the system and shall be amortized over fifteen years in equal monthly payments with interest at the system's valuation interest rate. ~~Such~~ Any such payments shall be payable to the system electronically beginning July first of the second fiscal year following the determination by the actuary ~~and if such determination occurs prior to June 30, 2024, or beginning July first of the third fiscal year following the determination by the actuary if such determination occurs on or after June 30, 2024.~~ Such payments shall be payable in the same manner as regular payroll payments to the system. Beginning July first of the fiscal year following the withdrawal, interest shall accrue at the system's actuarial valuation rate, compounded annually.

(2)(a) If the ~~number of participating employees~~ participating employee count of an employer subject to Paragraph (A)(2) of this Section returns to at least the ~~number of participating employees as of the June thirtieth immediately preceding the withdrawal,~~ base employee count for the fiscal year of partial dissolution, the payments required by this Section shall cease on the July first following the determination by the actuary that a sufficient increase in participating employees has

occurred, and no further payments shall be due with respect to the ~~withdrawal~~. partial dissolution. Any payments made pursuant to ~~this Section~~ that partial dissolution shall be credited as an offset of any amounts due by the employer attributable to any subsequent ~~withdrawal that occurs~~ partial dissolution occurring after the fiscal year of the sufficient increase in participating employees but within fifteen years of the payments.

(b) Each fiscal year, for each employer subject to Paragraph (A)(2) of this Section for which a payment remains due in the following fiscal year, the system's actuary shall review the participating employee count for the employer for the prior fiscal year. Beginning July first of the fiscal year following the actuary's review, the payments determined according to Paragraph (B)(1) of this Section shall be proportionately adjusted based on the participating employee count for the employer for the prior fiscal year. Such adjustment shall not cause the proportional payment to exceed the payment initially determined for the partial dissolution.

* * *

D. For the purposes of this Section, the following terms shall mean:

* * *

(3) "Participating employee count" for an employer for a fiscal year shall mean the number of participating employees as of June thirtieth of that fiscal year.

(4) "Base employee count" for an employer for a fiscal year shall mean the number of participating employees as of June thirtieth of the prior fiscal year unless the employer has partially dissolved in one or more of the prior fifteen fiscal years and payments remain due for at least one such partial dissolution. In that case, the base employee count for an employer for a fiscal year shall be the lesser of the smallest participating employee count from such prior partial dissolutions and the number of participating employees as of June thirtieth of the prior fiscal year.

Section 2. R.S. 11:2225.4 is hereby repealed in its entirety.

Section 3. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 49 Original

2026 Regular Session

Abstract: Provides relative to dissolution of a police or fire department by an employer in the Municipal Police Employees' Retirement System or Firefighters' Retirement System.

Opt-out Provision

Present law, applicable to Municipal Police Employees' Retirement System (MPERS) and the Firefighters' Retirement System (FRS), generally requires anyone meeting the definition of "employee" contained in present law to become a system member as a condition of employment.

Proposed law retains present law.

Present law, applicable to MPERS and FRS, allows an employee whose employer covers its police officers or firefighters under Social Security to elect not to become members of the system. Provides requirements and procedures for making the election.

Proposed law requires the police chief or the mayor of the employing municipality to sign and notarize the affidavit electing to not participate in the retirement system.

FRS Partial Dissolution Provision

Present law provides generally for an employer with a sufficient reduction in employees to be deemed to have partially dissolved and requires payments to the system. Provides for definitions and determinations related to the reduction and payments with determinations made as part of the actuarial valuation process.

Proposed law retains present law.

Present law provides that a participating employer shall be deemed to have partially dissolved its fire department if either of the following occurs:

- (1) The number of participating employees of the employer on the valuation date is less than 70% of the number of participating employees of the employer as of June 30th of the prior fiscal year and either the number of participating employees decreases by at least a minimum number or the number of participating employees is zero.
- (2) The number of participating employees of the employer as of June 30th is at least 50 fewer than the number of participating employees of the employer as of June 30th of the prior year.

Present law provides for a minimum decrease of at least three employees.

Proposed law provides that a participating employer shall be deemed to have partially dissolved its fire department if either of the following occurs:

- (1) The number of participating employees of the employer as of June 30th is less than 70% of the base employee count and either the number of participating employees is zero or the number of participating employees decreases by at least the minimum.
- (2) The number of participating employees of the employer as of June 30th is at least 50 fewer than the base employee count.

Proposed law further provides that if the calculation of the percentage does not result in a whole number, the actuary shall round to the nearest lower whole number.

Present law requires payments to begin on the first of July of the second fiscal year following the determination that a partial dissolution has occurred.

Proposed law requires payments to begin on the first of July of the third fiscal year following the determination for withdrawals based on a valuation dated June 30, 2024, or later.

Proposed law provides that if an employer is delinquent on June 30th in any year, certain provisions of proposed law do not apply to the withdrawal on which the payments are delinquent and any additional withdrawal based on the June 30th actuarial valuation of that year.

MPERS Dissolution Provision

Present law provides that a participating employer in Municipal Police Employees' Retirement System (the system) that dissolves its police department shall pay the portion of the system's UAL attributable to that employer existing on the June 30 prior to the dissolution, with interest.

Present law requires that the employer's UAL portion to be calculated using the allocation percentage included in the prior fiscal year's employer pension report produced according to requirements established by the Governmental Accounting Standards Bd.

Present law requires an employer to pay a pro rata portion of the UAL attributable to that employer if there is a significant reduction in the employer's participation in the system (partial dissolution).

Present law requires such payments if either of the following occurs during a one year period:

- (1) A 30% or greater decrease in active members and DROP participants and the number of participating employees either decreases by at least two or drops to zero.
- (2) The number of participating employees decreases by at least 50.

Present law requires that payments be amortized over 15 years in equal payments.

Present law provides that if the number of participating employees of an employer whose department was partially dissolved returns to or exceeds the number of participating employees prior to the partial dissolution, payments shall cease on the July 1 following the increase. Any payments made will be credited as an offset of any amounts due for any subsequent dissolution or partial dissolution of the department that occurs within 15 years of such payment.

Proposed law repeals present law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 11:157(C)(1), 2262.1(A)(1) and (2) and (B); Adds R.S. 11:2262.1(D)(3) and (4); Repeals R.S. 11:2225.4)