

CONFERENCE COMMITTEE REPORT
House Bill No. 94 By Representative Leger

June 2, 2014

To the Honorable Speaker and Members of the House of Representatives and the Honorable President and Members of the Senate.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning House Bill No. 94 by Representative Leger, recommend the following concerning the Reengrossed bill:

1. That Senate Committee Amendment No. 1 proposed by the Senate Committee on Local and Municipal Affairs and adopted by the Senate on May 26, 2014, be adopted.
2. That Senate Committee Amendment No. 2 proposed by the Senate Committee on Local and Municipal Affairs and adopted by the Senate on May 26, 2014, be rejected.
3. That the following amendments to the reengrossed bill be adopted:

AMENDMENT NO. 1

On page 4, after line 29, insert the following:

"Section 2.(A) There is hereby created the New Orleans Firefighters' Pension Study Group. The group shall be composed of six members as follows:

- (1) One member appointed by the Speaker of the House from the New Orleans legislative delegation.
- (2) One member appointed by the President of the Senate from the New Orleans legislative delegation.
- (3) One member appointed by the mayor of the city of New Orleans.
- (4) One member appointed by the New Orleans city council.
- (5) One member from the Firefighters' Pension and Relief Fund in the city of New Orleans board of trustees.
- (6) One member from the New Orleans firefighters' union, Local No. 632.

(B) The study group shall meet at least three times and shall study and submit a report relative to the Firefighters' Pension and Relief Fund in the city of New Orleans to the House and Senate Committees on Retirement no later than January 15, 2015."

AMENDMENT NO. 2

Delete page 5 in its entirety and insert in lieu thereof:

"Section 3. (A) The provisions of this Section and Section 2 of this Act shall become effective June 30, 2014.

(B) The provisions of Section 1 of this Act shall become effective January 1, 2015."

Respectfully submitted,

Representative J. Kevin Pearson

Senator Yvonne Dorsey-Colomb

Representative Walt Leger III

Senator Jean-Paul J. Morrell

Representative Jack Montoucet

Senator Barrow Peacock

 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)]

CONFERENCE COMMITTEE REPORT DIGEST

House Bill No. 94 by Representative Leger

Keyword and oneliner of the instrument as it left the House

RETIREMENT/LOCAL: Provides relative to the minimum retirement age, accrual rate, and benefits for new members of the Firefighters' Pension and Relief Fund in the city of New Orleans hired after January 1, 2015

Report adopts Senate amendments to:

1. Make a technical correction.

Report rejects Senate amendments which would have:

1. Changed the effective date from 1/1/15 to the date a cooperative endeavor agreement, as authorized by present law, is entered into and funded in accordance with law and the city of New Orleans has made all legally required employer contributions to the Firefighters' Pension and Relief Fund in the city of New Orleans.

Report amends the bill to:

1. Create the New Orleans Firefighter Pension Study Group. Sets forth the composition and duties of the group and requires a report from such group to the House and Senate Committees on Retirement by 1/15/15.

Digest of the bill as proposed by the Conference Committee

Present law establishes NOFF and provides specific rights and benefits for members employed by the fire department on and after Jan. 1, 1968. Proposed law retains present law for all members of NOFF employed by the fire department on or before December 31, 2014.

Present law (R.S. 11:3384) provides that a member of NOFF hired after Jan. 1, 1968, may retire with 12 years of creditable service upon attaining 50 years of age. Proposed law changes the age for retirement eligibility a member of NOFF hired on or after Jan. 1, 2015, from 50 to 52.

Present law provides that a member of NOFF hired after Jan. 1, 1968, who has worked at least one hour of service after Dec. 31, 1995, receives a retirement benefit calculated as follows:

- (1) If the member works at least 12 and not more than 30 years, his benefit will equal 2.5% x (5-year FAC) x years of service.
- (2) If the member works more than 12 years (but less than 30 years) and attains the age of 50, his benefit will be modified so that each year of portion of a year beyond 12 years of service and after age 50 shall equal 3.33% of average annual compensation for each such year or portion of a year.
- (3) If the member works 30 or more years, his benefit will be modified so that each year or portion of a year beyond 12 years of service shall equal 3.33% of average annual compensation.

Proposed law provides that for members of NOFF hired on or after Jan. 1, 2015, the benefit shall be calculated as follows: 2.75% x (5-year FAC) x years of service.

Present law (R.S. 11:3386) authorizes a member who has at least 12 years of creditable service, but who has not yet attained the age of 50, to leave employment and begin receiving his benefit check upon attaining age 50 if he has not withdrawn his accumulated contributions from the system. Proposed law retains present law for members hired on or before Dec. 31, 2014. Changes the age at which a member first hired on or after Jan. 1, 2015, may receive a deferred benefit from 50 to 52.

Present law provides a benefit calculation for such deferred vested member as follows: 2.5% x (his highest year of compensation) x years of service. Proposed law retains present law.

Present law provides that the system shall transfer the accumulated contributions of deferred vested member who dies after withdrawal from service but prior to attaining the age necessary for a retirement benefit in a lump sum, including interest, to his widow, or children, or survivor. Proposed law changes the recipients of such lump sum for members hired on or after Jan. 1, 2015, to the widow, child or children, or the deceased's estate.

Present law provides that if a deferred vested member who is receiving benefits dies, his widow shall receive the minimum benefit established in present law (\$1,200/month). Further provides that if the member leaves a widow and at least one child under the age of 18, then the widow and the child or children under 18 shall split the minimum benefit amount equally. Upon the earlier of attaining the age of 18 or marriage, the benefits paid to the minor child shall cease. Proposed law retains present law.

Proposed law establishes the New Orleans Firefighter Pension Study Group as a six-member group composed as follows:

- (1) One member appointed by the Speaker of the House from the New Orleans Legislative delegation.
- (2) One member appointed by the President of the Senate from the New Orleans Legislative delegation.
- (3) One member appointed by the mayor of the city of New Orleans.
- (4) One member appointed by the New Orleans city council.
- (5) One member from the Firefighters' Pension and Relief Fund in the city of New Orleans board of trustees.
- (6) One member from the New Orleans firefighters' union, Local No. 632.

Proposed law further requires the study group to meet at least 3 times. Requires the group to submit a report relative to the Firefighters' Pension and Relief Fund in the city of New Orleans to the House and Senate Committees on Retirement by January 15, 2015.

Proposed law relative to establishing the New Orleans Firefighter Pension Study Group effective June 30, 2014. All other provisions of proposed law effective January 1, 2015.

(Amends R.S. 11:3384(A), (B), and (D) and 3386)