Pearson (HB No. 5)

<u>New law</u> provides relative to the composition of the board of trustees of the Municipal Employees' Retirement System (MERS).

<u>Existing law</u> creates the 11-member board of trustees of the MERS system. Of these 11 members, five are ex officio and six are active contributing members elected by the membership of the system.

<u>New law</u> requires three of the active member trustees to be elected officials and that the other three not be elected officials (hereafter referred to as regular members).

Existing law requires all elected trustees to be elected in accordance with the election rules prescribed by the board.

<u>Existing law</u> authorizes most ex officio members of the board to designate someone to serve in their place. <u>Prior law</u> prohibited the President of the La. Municipal Assoc. from designating someone to serve in his place. <u>New law</u> authorizes him to have a designee serve on the board.

<u>New law</u> authorizes a trustee, once elected, to continue to serve on the board if he remains a member of the system, regardless of a change in employment which would otherwise render him ineligible for the position held.

<u>Prior law</u> generally provided that a trustee's term would expire if he separated from membership of the system. <u>New law</u> provides that a trustee's term shall expire if he ceases to be a member of the system. <u>Existing law</u> provides an exception for members who retire while serving on the board.

Existing law (R.S. 11:1732(14)) defines "participating employer" for the laws of the system as:

- (1) Any incorporated city, town, or village in the state of Louisiana.
- (2) The Municipal Association of Louisiana.
- (3) The Louisiana Energy and Power Authority.
- (4) The Cajundome Commission.
- (5) The retirement system itself.
- (6) Any state planning and development commission that has entered into an agreement with the board for participation.
- (7) The West Calcasieu Parish Community Center Authority.
- (8) The Vinton Public Power Authority.

<u>New law</u> prohibits more than two trustees from the same participating employer from serving on the board at the same time.

<u>New law</u> provides for implementation of <u>new law</u>. Requires the trustees elected in 2016, 2017, and 2020 to be elected officials and the trustees elected in 2015, 2018, and 2019 to be regular members. Requires vacancies in a trustee position once the position is filled pursuant to <u>new law</u> to be filled according to the classification of the trustee who held the position immediately prior: elected official trustees shall be replaced with other elected officials and regular member trustees shall be replaced by other regular members. Authorizes a vacancy in a position that has not yet held an election pursuant to <u>new law</u> to be filled by either elected official or regular members.

Effective Feb. 27, 2015.

(Amends R.S. 11:1821(B) and (G))