

New law establishes new retirement eligibility, accrual rate, and benefits for members of the Firefighters' Pension and Relief Fund in the city of New Orleans (NOFF) hired on or after January 1, 2015, as more fully explained below.

Existing law establishes NOFF and provides specific rights and benefits for members employed by the fire department on and after Jan. 1, 1968.

Existing 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. New law increases from 50 to 52 the age for retirement eligibility for a member of NOFF hired on or after Jan. 1, 2015.

Existing 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  $2.5\% \times (5\text{-year FAC}) \times \text{years of service}$ .
- (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.

New law provides that for members of NOFF hired on or after Jan. 1, 2015, the benefit shall be calculated as follows:  $2.75\% \times (5\text{-year FAC}) \times \text{years of service}$ .

Existing 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attained the age of 50, to leave employment and begin receiving his benefit check upon attaining age 50 if he has not withdrawn his accumulated contributions from the system. New law increases from 50 to 52 the age at which a member first hired on or after Jan. 1, 2015, may receive such a deferred benefit.

Existing law provides a benefit calculation for such deferred vested member as follows:  $2.5\% \times (\text{his highest year of compensation}) \times \text{years of service}$ .

Existing 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. For members hired on or after Jan. 1, 2015, new law changes the recipients of such lump sum to the widow, child or children, or the deceased's estate.

Existing law provides that if a deferred vested member who is receiving benefits dies, his widow shall receive the minimum benefit established in existing 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.

New 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 NOFF board of trustees.
- (6) One member from the New Orleans firefighters' union, Local No. 632.

New law further requires the study group to meet at least three times. Requires the group to submit a report relative to NOFF to the House and Senate Committees on Retirement by January 15, 2015.

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

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