

## 2026 Regular Session

HOUSE BILL NO. 40

BY REPRESENTATIVE BUTLER

RETIREMENT/MUNICIPAL POL: Provides relative to the payment of unfunded accrued liability by employers of the Municipal Police Employees' Retirement System

1 AN ACT

2 To enact R.S. 11:2225.4(A)(2)(d), relative to the Municipal Police Employees' Retirement  
3 System; to provide relative to payment of unfunded accrued liability; to provide for  
4 transfer of employees; to provide relative to partial dissolution of a police  
5 department; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:2225.4(A)(2)(d) is hereby enacted to read as follows:

#### 11           §2225.4. Unfunded accrued liability; payment by employer

12 A.

\* \* \*

14 (2)

\* \* \*

1        partially dissolved its police department, the system shall determine whether the  
2        partial dissolution would have occurred without the transfer of employees. If no  
3        partial dissolution would have occurred without the transfer, and the employees who  
4        transferred remain members of the system, the employer shall not be required to  
5        make the payments otherwise required by this Section. If the system determines that  
6        a partial dissolution would have occurred regardless of the transfer, and the  
7        transferred employees remain members of the system, then the amount due pursuant  
8        to the provisions of this Section shall be calculated without regard to the transferred  
9        employees.

10 \* \* \*

## 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 40 Original

## 2026 Regular Session

Butler

**Abstract:** Provides relative to the payment of unfunded accrued liability by certain employers of the Municipal Police Employees' Retirement System.

Present law provides that an employer of the Municipal Police Employees' Retirement System (MPERS) is deemed to have partially dissolved when the following occurs:

- (1) The number of employees, as of June 30, is less than 70% of the number of employees on June 30 of the previous fiscal year and either the number of employees decreases by at least two or the number of employees is zero.
- (2) The number of employees, as of June 30, is at least 50 fewer than the number of employees on June 30 of the previous fiscal year.

Present law provides that if an employer partially dissolves its police department, the employer is responsible for the pro rata portion of MPERS unfunded accrued liability (UAL). Provides that the portion is calculated by applying the percent decrease in salaries paid to employees by the employer on June 30 and the salaries paid to employees of the employer on June 30 of the previous fiscal year. Requires payments of the UAL by employers to include interest at the system's valuation interest rate.

Proposed law retains present law.

Proposed law provides that if a participating employer is deemed to have partially dissolved after a transfer of employees to another participating employer, the system shall determine whether the partial dissolution would have occurred without the transfer. If not, and the employees remain in the system, the employer is not required to make the payments required by present law. If the partial dissolution would have occurred regardless of the transfer, and the employees remain in the system, the amount due is calculated without regard to the transferred employees.

(Adds R.S. 11:2225.4(A)(2)(d))