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## DIGEST

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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))