Regular Session, 2011

HOUSE BILL NO. 425

BY REPRESENTATIVE STIAES

RETIREMENT/LOCAL: Relative to the Employees' Retirement System of the Sewerage and Water Board of the city of New Orleans, provides with respect to system governance

AN ACT

To amend and reenact R.S. 11:3821(B), (C)(introductory paragraph), and (D) and to enact R.S. 11:3821(E), relative to the Employees' Retirement System of the Sewerage and Water Board of the city of New Orleans provides for governance of such system; to grant the board of trustees of such system jurisdiction, control, and management of the system; to provide with respect to membership of the board of trustees; and to provide for related matters.

Notice of intention to introduce this Act has been published as provided by Article III, Section 13 and Article X, Section 29(C) of the Constitution of Louisiana.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:3821(B), (C)(introductory paragraph), and (D) are hereby amended and reenacted and R.S. 11:3821(E) is hereby enacted to read as follows:

§3821. Creation; contributions; management; investments; board of trustees

* * *

B. The pension fund shall be under the jurisdiction, control, and management of the board of trustees of the retirement system and shall be used for no other purpose than to pay pensions to employees and may pay plan sponsorship fees under the rules and regulations adopted by the board of trustees of the retirement system. Plan sponsorship fees include but are not limited to fees for money management, investment services, and custodial services.

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

C. The ~~Sewerage and Water Board~~ board of trustees of the retirement system may make such rules and regulations as it deems proper to carry out the purposes and objects of this Part in regard to pensions to be paid to its employees, subject to the following restrictions:

* * *

D. Notwithstanding any provision of law to the contrary, the ~~Sewerage and Water Board of the city of New Orleans~~ board of trustees of the retirement system may invest no more than sixty-five percent of the pension fund portfolio in equities, and no more than twenty-five percent of the pension fund shall be invested in any single equity.

E. The board of trustees of the Employees' Retirement System of the Sewerage and Water Board of the city of New Orleans shall be composed of:

(1) The members of the Sewerage and Water Board of New Orleans as provided in R.S. 33:4071.

(2) The three duly elected employee members of the pension committee, which committee is defined and described in the rules and regulations of the retirement system.

(3) The one retiree member of the pension committee, which committee is defined and described in the rules and regulations of the retirement system.

Section 2. This Act shall become effective on July 1, 2011; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on July 1, 2011, or on the day following such approval by the legislature, whichever is later.

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)]

Stiaes HB No. 425

Abstract: Relative to the Employees' Retirement System of the Sewerage and Water Board of the city of New Orleans, grants the board of trustees of the retirement system jurisdiction, control, and management over the system.

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Present law (R.S. 11:3821) creates the Employees' Retirement System of the Sewerage and Water Board of the city of New Orleans (system) for the benefit of the employees of the Sewerage and Water Board of New Orleans (SWBNO).

Present law provides that the system shall be under the jurisdiction, control, and management of the SWBNO and that the SWBNO shall have the authority to promulgate rules and regulations for carrying out the purpose of the system.

Proposed law puts the retirement system under the jurisdiction, control, and management of the board of trustees of the retirement system rather than the SWBNO.

Proposed law provides that the board of trustees of the retirement system shall be composed of:

(1) The members of the SWBNO.

(2) Three elected employee members of the pension committee.

(3) One retiree member of the pension committee.

Effective July 1, 2011.

(Amends R.S. 11:3821(B), (C)(intro. para.), and (D); Adds R.S. 11:3821(E))

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