Regular Session, 2011

HOUSE BILL NO. 377

BY REPRESENTATIVE PEARSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT/STATE-STWIDE: Relative to state and statewide retirement systems, provides with respect to earnable compensation and service credit for any member of such a system elected to the legislature

AN ACT

To amend and reenact R.S. 11:164(B) and 191(A) and R.S. 24:36(A) and to enact R.S. 11:191(C), relative to state and statewide retirement systems; to prohibit certain earnings from being included in the calculation of benefits for certain members elected to the legislature; to provide with respect to service credit for such members; to provide with respect to contributions; to provide with respect to benefit calculation for certain members elected to the legislature; and to provide for related matters.

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

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:164(B) and 191(A) are hereby amended and reenacted and R.S. 11:191(C) is hereby enacted to read as follows:

§164. Part-time public officials

* * *

B.(1) The provisions of Subsection A of this Section shall not apply to any person who is serving on January 1, 1997, in any elected or appointed position set forth in Subsection A of this Section and who is also a member on January 1, 1997, of a retirement system covering that position.

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(2)(a) For any person to whom Paragraph (1) of this Subsection applies and who is elected to the legislature on or after July 1, 2011, the accrual rate shall be two percent for any creditable service earned as a legislator on or after that date. Furthermore, the additional one percent accrual rate provided pursuant to R.S. 24:36(A) shall not apply to any such person.

(b) The provisions of this Paragraph shall not apply to any person serving in the legislature on June 30, 2011.

(c) The provisions of this Paragraph shall not apply to any person to whom R.S. 11:191(C) applies. For such persons, no service credit shall accrue for service as an elected member of the legislature.

* * *

§191. Dual employment

A. Any person who is employed in more than one public employment within this state, except as provided in Subsection C of this Section and who, by reason of such employment is eligible, as a condition of such employment, to be a member of the public retirement system or fund applicable to employees in each of such public employments, shall be a contributing member of each such retirement system or fund during the term of his employment. In no event shall such person be allowed to earn more than one year of service credit in any one year. Service credit earned in more than one retirement system or fund in any one year shall not be transferred or recognized reciprocally to attain more than one year of service credit in any one system in any one year.

* * *

C.(1) For any member of a state or statewide retirement system elected to the legislature for a term commencing on or after July 1, 2011, and who holds another position of public office or employment within this state making him eligible for membership in such system, the earnable or earned compensation, or its equivalent, upon which his retirement benefit is calculated, shall not include any compensation for his service in the legislature occurring on or after July 1, 2011. Furthermore, no

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service credit shall accrue for such service as an elected member of the legislature. Neither employee nor employer contributions shall be remitted on the compensation received for such elected service in the legislature.

(2) The provisions of this Subsection shall not apply to any member serving in the legislature on June 30, 2011.

Section 2. R.S. 24:36(A) is hereby amended and reenacted to read as follows:

§36. Additional benefits payable to legislators; certain legislative personnel; governor; lieutenant governor; political subdivision service credit; credit for service previously rendered; additional contributions; computation of benefits payable; membership

A. All persons who are or have been members of the Louisiana Legislature, or who are or have been the clerk or sergeant-at-arms of the House of Representatives, or the secretary or sergeant-at-arms of the Senate, or who are or have been the governor, or who are or have been the lieutenant governor, and who are members of any actuarially funded retirement system maintained by the state of Louisiana or any political subdivision thereof, shall receive an additional benefit equal to one percent times the number of years of service in the Louisiana state legislature, except as provided by R.S. 11:164, or as clerk or sergeant-at-arms of the House of Representatives or as secretary or sergeant-at-arms of the Senate, or as an employee of the legislature, or as governor or lieutenant governor, times the average salary as defined in the law covering the particular system of which each is a member. Years of service as clerk or sergeant-at-arms of the House of Representatives, as secretary or sergeant-at-arms of the Senate, or as an employee of the legislature, or as governor or lieutenant governor shall be computed in the same manner as years of service is computed for membership in the legislature.

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Section 3. This Act shall become effective on June 30, 2011; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on June 30, 2011, or on the day following such approval by the legislature, whichever is later.

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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)]

Pearson HB No. 377

Abstract: Relative to state and statewide retirement systems, for members of such systems elected to the legislature on or after July 1, 2011, who are employed in other public service, prohibits the earnings from legislative service from being used to calculate benefits. Prohibits the accrual of service credit for such legislative service. Furthermore, for a part-time elected official grandfathered into retirement system membership on Jan. 1, 1997, who gets elected to the legislature on or after July 1, 2011, such individual shall receive a 2% accrual rate.

Present law prohibits a "part-time" elected or appointed official from being a member of a public retirement plan unless he was serving in such position on January 1, 1997. Defines "part-time" officials as:

(1) Legislators, school board, levee board, policy jury, and parish council members.

(2) City council, city-parish council, or town council members, aldermen, and constables.

(3) Members of boards or commissions.

Present law (R.S. 24:36(A)) provides an additional 1% accrual rate on top of the regular retirement system accrual rate for legislative service.

Proposed law (R.S. 11:164(B)(2)) provides that for any individual who was a part-time public official on January 1, 1997, (grandfathered into retirement system membership) and who gets elected to the legislature on or after July 1, 2011, but who was not in the legislature on June 30, 2011, his total accrual rate shall be 2%.

Present law (R.S. 11:191(A)) provides that where any person is employed in more than one position of public employment making him eligible for membership in multiple public retirement systems, such person shall be a contributing member of each such retirement system. Provides that in no event shall such person accrue more than one year of service credit among multiple retirement systems in a given year.

Proposed law (R.S. 11:191(C)) retains present law but provides that for any member of a state or statewide retirement system elected to the legislature for a term commencing July 1, 2011, or later, who is employed in another position of public office or employment making him eligible for system membership, earnable compensation for purposes of benefit calculation shall not include compensation from such legislative service. Prohibits the accrual of service credit for such legislative service.

Proposed law does not apply to any member serving in the legislature on June 30, 2011.

Effective June 30, 2011.

(Amends R.S. 11:164(B) and 191(A) and R.S. 24:36(A); Adds R.S. 11:191(C))

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Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Retirement to the original bill.

1. Provides for a reduction in the accrual rate for retirement purposes for any part-time elected or appointed official grandfathered into retirement system membership on Jan. 1, 1997, who is elected to the legislature on or after July 1, 2011. Such accrual rate shall be 2%.

House Floor Amendments to the engrossed bill.

1. Clarifies that the reduced accrual rate provided for in proposed law for legislative service shall not apply to persons holding multiple public employment who are restricted under proposed law from accruing service credit for legislative service.

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