Ligi   HB No. 10

Abstract: Provides for the forfeiture of public retirement benefits by a public servant convicted of a state or federal felony related to his office.

Proposed law provides for the forfeiture of retirement benefits by a public employee or elected official (hired or beginning service on or after Jan. 1, 2013) convicted of certain crimes related to the holding of office (public corruption crimes). Specifies the state and federal crimes conviction of which results in such forfeiture. Provides that conviction occurs when all appellate review is exhausted.

Proposed law specifically requires the forfeiture of all service credit attributable to employer contributions in the event of a conviction of a public corruption crime by a public servant. The retirement benefits of a public servant so convicted shall be calculated based on employee contributions alone. Such employee contributions shall determine the amount of service credit to be used in calculating his benefits. Provides that any payment options applicable to such persons upon retirement shall remain applicable, except that the reduced benefit amount calculated pursuant to proposed law shall be considered the maximum benefit amount.

Proposed law provides that the dollar amount of all employer contributions forfeited pursuant to proposed law shall be applied toward the unfunded accrued liability of the retirement system or shall become part of the system's assets if the system has no unfunded accrued liability.

Proposed law does not apply to any defined contribution plan nor to any survivor benefits payable to a surviving unmarried spouse, minor children, or physically or mentally handicapped children.

Proposed law requires every public retirement system to submit an attestation form to every member which explains the provisions of proposed law. Such member shall sign such form indicating that he understands the provisions of proposed law.

Proposed law provides that all benefits reduced pursuant to proposed law shall be available for the satisfaction of any court-ordered restitution or criminal fine. Provides that if the employee contributions are insufficient to satisfy both the restitution and the fine, the employee contributions shall be apportioned for the satisfaction of both.

Proposed law provides that a parish prosecutor shall inform the secretary of DPS&C in writing when a conviction has been obtained against a person to whom proposed law may apply. The

secretary shall then report this information to the appropriate retirement system. Relative to convictions of federal felonies, requires the secretary of state to report information to the retirement system regarding any federal convictions upon which he receives notice from the U.S. attorney for any federal felony listed in <u>proposed law</u>. The retirement system shall determine if any of its members or retirees are the subject of such convictions and whether such convictions are final for purposes of <u>proposed law</u>.

Effective if and when the proposed amendment of Art. X §29(G) of the Constitution of La. contained in the Act which originated as HB ___ of the 2012 R.S. of the Legislature is adopted at the statewide election and becomes effective.

(Amends the heading of Subpart L of Part II of Chapter 4 of Subtitle I of Title 11 of the La. Revised Statutes of 1950; Adds R.S. 11:293)