

Regular Session, 2012

HOUSE BILL NO. 39

BY REPRESENTATIVE MONTOUCET

RETIREMENT/FIREFIGHTERS: Provides relative to federal tax qualification requirements for the Firefighters' Retirement System

1 AN ACT

2 To enact R.S. 11:2254(E), 2256(B)(5), and 2271(7), relative to the Firefighters' Retirement  
3 System; to provide for compliance with federal tax qualification requirements; to  
4 provide relative to benefits accrued during military service; and to provide for related  
5 matters.

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

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:2254(E), 2256(B)(5), and 2271(7) are hereby enacted to read as  
11 follows:

12 §2254. Creditable service

13 \* \* \*

14 E. The qualified military service of a member who has been reemployed in  
15 accordance with 26 U.S.C. 414(u) shall be treated for vesting and benefit accrual  
16 purposes as service completed under Subsection A of this Section if the member  
17 timely remits to the system any employee contributions which would have been  
18 required but for the member's leave of absence to perform qualified military service  
19 in accordance with the terms of federal law.

20 \* \* \*

1 §2256. Benefits; refund of contributions, application, and payment

2 \* \* \*

3 B.

4 \* \* \*

5 (5) Effective January 1, 2007, if a member dies while on a leave of absence  
6 to perform qualified military service as described in 26 U.S.C. 414(u), his  
7 beneficiary is entitled to any benefit, except benefits that accrued during the period  
8 of qualified military service, that would have been provided under the plan had the  
9 member resumed and then terminated employment due to death, in accordance with  
10 26 U.S.C. 401(a)(37); however, the member's beneficiary is entitled to benefits that  
11 accrued during the period of qualified military service if the beneficiary timely  
12 remits to the system any employee contributions which would have been required but  
13 for the member's leave of absence to perform qualified military service in accordance  
14 with the terms of federal law and R.S. 11:2254.

15 \* \* \*

16 §2271. Tax qualification provisions

17 The Firefighters' Retirement System shall be a tax-qualified governmental  
18 plan as provided in the Internal Revenue Code of 1986, as amended. In accordance  
19 with the requirements of the Internal Revenue Code, the following provisions shall  
20 apply to the retirement system:

21 \* \* \*

22 (7) Amendments to the retirement system required for the purpose of  
23 maintaining continued compliance with the Internal Revenue Code and the  
24 regulations thereunder may be promulgated as rules in accordance with the  
25 Administrative Procedure Act.

26 Section 2. This Act shall become effective on July 1, 2012; if vetoed by the governor  
27 and subsequently approved by the legislature, this Act shall become effective on July 1,  
28 2012, 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)]

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Montoucet

HB No. 39

**Abstract:** Provides relative to federal tax qualification requirements for the Firefighters' Retirement System (FRS); provides relative to accrual of benefits during military service; authorizes certain changes to the retirement system by rule.

Present law provides that members of FRS may accrue service credit through actual service and, under specified circumstances, by purchase. Proposed law provides that a member who is reemployed after military service shall receive service credit for the period of his military service if he remits employee contributions which would have been required but for military service.

Present law provides for the payment of benefits to a designated beneficiary and provides conditions and restrictions. Proposed law, effective Jan. 1, 2007, provides that if a member dies during leave for military service, his beneficiary is entitled to any benefit, except benefits that accrued during military service, that would have been provided had the member resumed employment and then died; however, if the beneficiary pays the employee contributions for the period of military service, the beneficiary is also entitled to benefits that accrued during the period of qualified military service.

Present law provides that FRS is a tax-qualified governmental plan as provided in the Internal Revenue Code and provides for certain matters as required in order for the system to remain a tax-qualified governmental plan. Proposed law authorizes FRS to make changes necessary to maintain compliance with the Internal Revenue Code by promulgation of rules in accordance with the APA.

Effective July 1, 2012.

(Adds R.S. 11:2254(E), 2256(B)(5), and 2271(7))