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## DIGEST

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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))