

Regular Session, 2012

HOUSE BILL NO. 1174

BY REPRESENTATIVE DANAHAHAY

RETIREMENT/STATE-STWIDE: Establishes "Hazardous Duty" and "Non-Hazardous Duty" subplans in the Municipal Police Employees' Retirement System and the Firefighters' Retirement System

1 AN ACT

2 To amend and reenact R.S. 11:62(3) and (6), 2213(introductory paragraph), (4), and (20),
3 and 2252(4) and (19) and to enact Part II of Chapter 8 of Subtitle III of Title 11 of
4 the Louisiana Revised Statutes of 1950, comprised of R.S. 11:2241.1 through 2241.7,
5 Part III of Chapter 8 of Subtitle III of Title 11 of the Louisiana Revised Statutes of
6 1950, comprised of R.S. 11:2242.1 through 2242.7, Part II of Chapter 9 of Subtitle
7 III of Title 11 of the Louisiana Revised Statutes of 1950, comprised of R.S. 11:2281
8 through 2287, Part III of Chapter 9 of Subtitle III of Title 11 of the Louisiana
9 Revised Statutes of 1950, comprised of R.S. 11:2291 through 2297, relative to the
10 establishment of subplans for new hires within certain statewide retirement systems;
11 to provide relative to eligibility, benefits, accrual and contribution rates; to provide
12 for definitions; to provide restrictions; and to provide for related matters.

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

16 Be it enacted by the Legislature of Louisiana:

17 Section 1. R.S. 11:62(3) and (6), 2213(introductory paragraph), (4), and (20), and
18 2252(4) and (19) are hereby amended and reenacted and Part II of Chapter 8 of Subtitle III
19 of Chapter 8 of Subtitle III of Title 11 of the Louisiana Revised Statutes of 1950, comprised

of R.S. 11:2241.1 through 2241.7, Part III of Subtitle III of Title 11 of the Louisiana Revised Statutes of 1950, comprised of R.S. 11:2242 through 2242.6; Part II of Chapter 9 of Subtitle III of Title 11 of the Louisiana Revised Statutes of 1950, comprised of R.S. 11:2281 through 2287, and Part III of Chapter 9 of Subtitle III of Title 11 of the Louisiana Revised Statutes of 1950, comprised of R.S. 11:2291 through 2297, are hereby enacted to read as follows:

§62. Employee contribution rates established

Employee contributions to state and statewide public retirement systems shall be paid at the following rates, except as otherwise provided by law:

* * *

(3) Firefighters' Retirement System :

(a) For members hired prior to January 1, 2013, and for members of the Hazardous Duty Subplan:

~~(i)~~ Any member whose earnable compensation is less than or equal to the most recently issued poverty guidelines issued by the United States Department of Health and Human Services according to the size of the member's family unit - 8%.

~~(b)~~ (ii) For employee contributions due and payable July 1, 2011, or thereafter, any member whose earnable compensation is more than the most recently issued poverty guidelines issued by the United States Department of Health and Human Services according to the size of the member's family unit:

If the total contribution	
for the fiscal year expressed	
as a percentage of payroll after	
applying all required tax	The employee contribution
contributions is:	shall be:

25.0% or below	8.0%
25.01% to 25.75%	8.25%
25.76% to 26.5%	8.5%
26.51% to 27.25%	8.75%
27.26% to 28.0%	9.0%

1	28.01% to 28.75%	9.25%
2	28.76% to 29.5%	9.5%
3	29.51% to 30.25%	9.75%
4	30.26% or above	10.0%

5 (b) For employees in the Non-Hazardous Duty Subplan – 8%.

6 * * *

7 (6) Municipal Police Employees' Retirement System:

8 (a) For members hired prior to January 1, 2013, and for members of the
9 Hazardous Duty Subplan:

(i) Any member whose earnable compensation is less than or equal to the most recently issued poverty guidelines issued by the United States Department of Health and Human Services according to the size of the member's family unit - 7.5%.

(b) (ii) For employee contributions due and payable July 1, 2011, or thereafter, any member whose earnable compensation is more than the most recently issued poverty guidelines issued by the United States Department of Health and Human Services according to the size of the member's family unit:

17	If the total contribution	
18	for the fiscal year expressed	
19	as a percentage of payroll after	
20	applying all required tax	The employee contribution
21	contributions is:	shall be:

22	25.0% or below	7.5%
23	25.01% to 25.75%	7.75%
24	25.76% to 26.5%	8.0%
25	26.51% to 27.25%	8.25%
26	27.26% to 28.0%	8.5%
27	28.01% to 28.75%	8.75%
28	28.76% to 29.5%	9.25%
29	29.51% to 30.25%	9.5%

1 30.26% to 31.0% 9.75%
2 31.0% or above 10.0%

3 **(b) For members of the Non-Hazardous Duty Subplan – 8%.**

4 * * *

5 CHAPTER 8. MUNICIPAL POLICE EMPLOYEES'

6 RETIREMENT SYSTEM

7 **PART I. GENERAL PROVISIONS AND PROVISIONS FOR MEMBERS NOT**

8 **ENROLLED IN A SUBPLAN**

9 * * *

10 §2213. Definitions

11 The following words and phrases, as used in this ~~Subpart~~ Chapter, unless a
12 different meaning is plainly required by context, shall have the following meaning:

13 * * *

14 **(4)(a) For members first employed on or before December 31, 2012,**

15 "Average final compensation" shall mean the average annual earned compensation
16 of an employee for any period of thirty-six successive or joined months of service
17 as an employee during which the said earned compensation was the highest. In case
18 of interruption of employment, the thirty-six month period shall be computed by
19 joining employment periods immediately preceding and succeeding the interruption.
20 The earnings to be considered for the thirteenth through the twenty-fourth months
21 shall not exceed one hundred fifteen percent of the earnings for the first through the
22 twelfth months. The earnings to be considered for the final twelve months shall not
23 exceed one hundred fifteen percent of the earnings of the thirteenth through the
24 twenty-fourth months.

25 **(b) For members first employed on or after January 1, 2013, "Average final**
26 **compensation" means the average annual earned compensation of a member for the**
27 **sixty highest months of successive employment, or for the highest sixty successive**
28 **joined months of employment where interruption of service occurred. The earnings**
29 **to be considered for the thirteenth through the twenty-fourth month shall not exceed**

one hundred fifteen percent of the earnings of the first through the twelfth month. The earnings to be considered for the twenty-fifth through the thirty-sixth month shall not exceed one hundred fifteen percent of the earnings of the thirteenth through the twenty-fourth month. The earnings to be considered for the thirty-seventh through the forty-eighth month shall not exceed one hundred fifteen percent of the earnings of the twenty-fifth through the thirty-sixth month. The earnings for the final twelve months shall not exceed one hundred fifteen percent of the earnings of the thirty-seventh through the forty-eighth month. The limitations on the computation of average final compensation contained in this Subparagraph shall not apply to any twelve-month period during which compensation increased by more than fifteen percent over the previous twelve-month period solely because of an increase in compensation by a uniform systemwide increase adopted by a local governing authority.

* * *

(20) "Retirement system" or "system" shall mean the Municipal Police Employees' Retirement System as established in R.S. 11:2211.

* * *

PART II. HAZARDOUS DUTY SUBPLAN

§2241.1. Creation of Hazardous Duty Subplan

A. The Hazardous Duty Subplan is created within the Municipal Police Employees' Retirement System for members whose first employment making them eligible for membership in the system occurred on or after January 1, 2013, in hazardous duty positions as defined in this Part.

B. Any other provisions of this Chapter or any other laws to the contrary notwithstanding, the retirement of Hazardous Duty Subplan members shall be governed by the provisions of this Part; however, if provisions of this Chapter cover matters not specifically addressed by the provisions of this Part or if any of the provisions of this Chapter are made applicable in this Part, then those provisions shall apply to members governed by this Part.

1 §2241.2. Application; definitions

2 Terms not specifically defined in this Section shall have the meanings
3 provided in R.S. 11:2213 unless a different meaning is clearly required by the
4 context. For purposes of this Part:

5 (1) "Member" or "members" shall mean all persons otherwise qualifying as
6 a member under R.S. 11:2213 whose first employment making them eligible for
7 membership in this systems occurred on or after January 1, 2013 and who by virtue
8 of their employment are eligible to receive state supplemental pay, notwithstanding
9 any temporal restrictions relative to qualifying for such pay.

10 (2) "Subplan" means the Hazardous Duty Subplan created by this Part for
11 certain hazardous duty services employees within the system.

12 (3) "System" means the Municipal Police Employees' Retirement System.

13 §2241.3. Eligibility for plan membership

14 A. Membership in this subplan is limited to employees who, notwithstanding
15 any temporal restrictions relative to qualifying for such pay, would be eligible to
16 receive state supplemental pay by virtue of their employment.

17 B. Notwithstanding the provisions of Subsection A of this Section, no person
18 who participated in the Deferred Retirement Option Plan as a member of any other
19 retirement plan in this system shall be eligible for membership in the Hazardous
20 Duty Subplan.

21 §2241.4. Eligibility for retirement

22 A. Any member of this subplan shall be eligible for retirement if he has:

23 (1) Twenty-five years or more of service, at any age.

24 (2) Twelve years or more of service, at age fifty-five or thereafter.

25 (3) Twenty years of service credit at any age, exclusive of unused annual and
26 sick leave and military service other than qualified military service as provided in 26
27 U.S.C. 414(u) earned on or after December 12, 1994. Any person retiring under this
28 Paragraph shall have his benefit, inclusive of military service credit and allowable
29 unused annual and sick leave, actuarially reduced. Any member retiring under this

Paragraph shall have his benefit actuarially reduced from the earliest age that he would normally become eligible for a regular retirement benefit under Paragraph (1) or (2) of this Subsection based upon his years of service as of the date of retirement. Any employee who elects to retire under the provisions of this Paragraph shall not be eligible to participate in the Deferred Retirement Option Plan provided by R.S. 11:2221 or the Initial Benefit Option provided by R.S. 11:2224(F).

§2241.5. Retirement benefit calculation

A. Except as provided in Subsection B of this Section, a member shall receive a retirement benefit equal to three and one-third percent of average final compensation for every year of creditable service in this subplan, not to exceed one hundred percent of the member's average final compensation.

B. Retirement benefits for members who had service in nonhazardous duty or service under existing plans prior to entering this subplan shall upon retirement eligibility receive a retirement benefit for that prior service based on the applicable accrual rate when earned.

C. Average final compensation as defined in R.S. 11:2213 shall be based on all creditable service in the system.

§2241.6. Deferred Retirement Option Plan; Initial Benefit Option

A member who is eligible for regular retirement may elect to participate in the Deferred Retirement Option Plan in accordance with the provisions of R.S. 11:2221 or the Initial Benefit Option provided by R.S. 11:2224(F).

§2241.7. Disability retirement; Survivor Benefits

A. A member of this subplan shall be eligible for disability benefits upon meeting the criteria and procedures set forth in R.S. 11:2223.

B. Survivors' benefits shall be paid as otherwise provided in this Chapter.

PART III. NON-HAZARDOUS DUTY SUBPLAN

§2242.1. Creation of Non-Hazardous Duty Subplan

A. The Non-Hazardous Duty Subplan is created within the Municipal Police Employees' Retirement System for members whose first employment making them

1 eligible for membership in the system occurred on or after January 1, 2013, in non-
2 hazardous duty positions as defined in this Part.

3 B. Any other provisions of this Chapter or any other laws to the contrary
4 notwithstanding, the retirement of Non-Hazardous Duty Subplan members shall be
5 governed by the provisions of this Part; however, if provisions of this Chapter cover
6 matters not specifically addressed by the provisions of this Part or if any of the
7 provisions of this Chapter are made applicable in this Part, then those provisions
8 shall apply to members governed by this Part.

9 §2242.2. Application; definitions

10 Terms not specifically defined in this Section shall have the meanings
11 provided in R.S. 11:2213 unless a different meaning is clearly required by the
12 context. For purposes of this Part:

13 (1) "Member" or "members" shall mean all persons otherwise qualifying as
14 a member under R.S. 11:2213 whose first employment making them eligible for
15 membership in this system occurred on or after January 1, 2013, who are not eligible
16 by virtue of their position to receive state supplemental pay.

17 (2) "Subplan" means the Non-Hazardous Duty Subplan created by this Part
18 for certain non-hazardous duty services employees within the system.

19 (3) "System" means the Municipal Police Employees' Retirement System.

20 §2242.3. Eligibility for plan membership

21 Membership in this subplan is limited to employees whose employment does
22 not qualify them to receive state supplemental pay.

23 §2242.4. Eligibility for retirement

24 A. Any member of this subplan shall be eligible for retirement if he has:

25 (1) Thirty years or more of service, at any age.

26 (2) Twenty-five years or more of service, at age fifty-five or thereafter.

27 (3) Twenty years of service credit at any age, exclusive of unused annual and
28 sick leave and military service other than qualified military service as provided in 26
29 U.S.C. 414(u) earned on or after December 12, 1994. Any person retiring under this

1 ~~Paragraph shall have his benefit, inclusive of military service credit and allowable~~
2 ~~unused annual and sick leave, actuarially reduced. Any member retiring under this~~
3 ~~Paragraph shall have his benefit actuarially reduced from the earliest age that he~~
4 ~~would normally become eligible for a regular retirement benefit under Paragraph (1)~~
5 ~~or (2) of this Subsection based upon his years of service as of the date of retirement.~~
6 ~~Any employee who elects to retire under the provisions of this Paragraph shall not~~
7 ~~be eligible to participate in the Deferred Retirement Option Plan provided by R.S.~~
8 ~~11:2221 or the Initial Benefit Option provided by R.S. 11:2224(F).~~

9 ~~(4) Ten years or more of service, at age sixty.~~

10 §2242.5. Retirement benefit calculation

11 A. Except as provided in Subsection B of this Section, a member shall
12 receive a retirement benefit equal to three percent of average final compensation for
13 every year of creditable service in this subplan, not to exceed one hundred percent
14 of the member's average final compensation.

15 B. Retirement benefits for members who had service in hazardous duty or
16 service under existing plans prior to entering this subplan shall upon retirement
17 eligibility receive a retirement benefit for that prior service based on the applicable
18 accrual rate when earned.

19 C. Average final compensation as defined in R.S. 11:2213 shall be based on
20 all creditable service in the system.

21 §2242.6. Deferred Retirement Option Plan; Initial Benefit Option

22 A member who is eligible for regular retirement may elect to participate in
23 the Deferred Retirement Option Plan in accordance with the provisions of R.S.
24 11:2221 or the Initial Benefit Option provided by R.S. 11:2224(F).

25 §2242.7. Disability retirement; Survivor Benefits

26 A. A member of this subplan shall be eligible for disability benefits upon
27 meeting the criteria and procedures set forth in R.S. 11:2223.

28 B. Survivors' benefits shall be paid as otherwise provided in this Chapter.

29 * * *

1 CHAPTER 9. FIREFIGHTERS' RETIREMENT SYSTEM

2 PART I. GENERAL PROVISIONS AND PROVISIONS FOR MEMBERS NOT
3 ENROLLED IN A SUBPLAN

4 * * *

5 §2252. Definitions

6 The following words and phrases, as used in this Chapter, unless a different
7 meaning is plainly required by context, shall have the following meaning:

8 * * *

9 (4)(a) For members employed on or before December 31, 2012, "Average
10 final compensation" shall mean the average annual earned compensation of an
11 employee for any period of thirty-six successive or joined months of service as an
12 employee during which the said earned compensation was the highest. In case of
13 interruption of employment, the thirty-six month period shall be computed by joining
14 employment periods immediately preceding and succeeding the interruption. The
15 earnings to be considered for the thirteenth through the twenty-fourth months shall
16 not exceed one hundred fifteen percent of the earnings for the first through the
17 twelfth months. The earnings to be considered for the final twelve months shall not
18 exceed one hundred fifteen percent of the earnings of the thirteenth through the
19 twenty-fourth months.20 (b) For members employed on or after January 1, 2013, "Average final
21 compensation" means the average annual earned compensation of a member for the
22 sixty highest months of successive employment, or for the highest sixty successive
23 joined months of employment where interruption of service occurred. The earnings
24 to be considered for the thirteenth through the twenty-fourth month shall not exceed
25 one hundred fifteen percent of the earnings of the first through the twelfth month.
26 The earnings to be considered for the twenty-fifth through the thirty-sixth month
27 shall not exceed one hundred fifteen percent of the earnings of the thirteenth through
28 the twenty-fourth month. The earnings to be considered for the thirty-seventh
29 through the forty-eighth month shall not exceed one hundred fifteen percent of the

1 earnings of the twenty-fifth through the thirty-sixth month. The earnings for the
2 final twelve months shall not exceed one hundred fifteen percent of the earnings of
3 the thirty-seventh through the forty-eighth month. The limitations on the
4 computation of average final compensation contained in this Subparagraph shall not
5 apply to any twelve-month period during which compensation increased by more
6 than fifteen percent over the previous twelve-month period solely because of an
7 increase in compensation by a uniform systemwide increase adopted by a local
8 governing authority.

9 * * *

10 (19) "Retirement system" or "system" shall mean the Firefighters' Retirement
11 System as established in R.S. 11:2251.

12 * * *

13 PART II. HAZARDOUS DUTY SUBPLAN

14 §2281. Creation of Hazardous Duty Subplan

15 A. The Hazardous Duty Subplan is created within the Firefighters'
16 Retirement System for members whose first employment making them eligible for
17 membership in the system occurred on or after January 1, 2013, in hazardous duty
18 positions as defined in this Part.

19 B. Any other provisions of this Chapter or any other laws to the contrary
20 notwithstanding, the retirement of subplan members shall be governed by the
21 provisions of this Part; however, if provisions of this Chapter cover matters not
22 specifically addressed by the provisions of this Part or if any of the provisions of this
23 Chapter are made applicable in this Part, then those provisions shall apply to
24 members governed by this Part.

25 §2282. Application; definitions

26 Terms not specifically defined in this Section shall have the meanings
27 provided in R.S. 11:2252 unless a different meaning is clearly required by the
28 context. For purposes of this Part:

1 (2) "Member" or "members" shall mean all persons otherwise qualifying as
2 a member of the system under R.S. 11:2252 whose first employment making them
3 eligible for membership in this systems occurred on or after January 1, 2013 and who
4 by virtue of their employment are eligible to receive state supplemental pay,
5 regardless of any temporal restrictions relative to qualifying for such pay.

6 (2) "Subplan" means the Hazardous Duty Subplan created by this Part for
7 certain hazardous duty services employees within the system.

8 (3) "System" means the Firefighters' Retirement System.

9 §2283. Eligibility for plan membership

10 A. Membership in this subplan is limited to employees who, notwithstanding
11 any temporal restrictions relative to qualifying for such pay, would be eligible to
12 receive state supplemental pay by virtue of their employment.

13 B. Notwithstanding the provisions of Subsection A of this Section, no person
14 who participated in the Deferred Retirement Option Plan as a member of any other
15 retirement plan in this system shall be eligible for membership in the Hazardous
16 Duty Subplan.

17 §2284. Eligibility for retirement

18 A. Any member of this subplan shall be eligible for retirement if he has:

19 (1) Twenty-five years or more of service, at any age.

20 (2) Twelve years or more of service, at age fifty-five or thereafter.

21 (3) Twenty years of service credit at any age, exclusive of unused annual and
22 sick leave and military service other than qualified military service as provided in 26
23 U.S.C. 414(u) earned on or after December 12, 1994. Any person retiring under this
24 Paragraph shall have his benefit, inclusive of military service credit and allowable
25 unused annual and sick leave, actuarially reduced. Any member retiring under this
26 Paragraph shall have his benefit actuarially reduced from the earliest age that he
27 would normally become eligible for a regular retirement benefit under Paragraph (1)
28 or (2) of this Subsection based upon his years of service as of the date of retirement.
29 Any employee who elects to retire under the provisions of this Paragraph shall not

1 be eligible to participate in the Deferred Retirement Option Plan provided by R.S.
2 11:2257 or the Initial Benefit Option provided by R.S. 11:2259(C).

3 §2285. Retirement benefit calculation

4 A. Except as provided in Subsection B of this Section, a member shall
5 receive a retirement benefit equal to three and one-third percent of average final
6 compensation for every year of creditable service in this subplan, not to exceed one
7 hundred percent of the member's average final compensation.

8 B. Retirement benefits for members who had service in nonhazardous duty
9 or service under existing plans prior to entering this subplan shall upon retirement
10 eligibility receive a retirement benefit for that prior service based on the applicable
11 accrual rate when earned.

12 C. Average final compensation as defined in R.S. 11:2252 for the total
13 benefit payable shall be based on all creditable service in the system.

14 §2286. Deferred Retirement Option Plan; Initial Benefit Option

15 A member who is eligible for regular retirement may elect to participate in
16 the Deferred Retirement Option Plan in accordance with the provisions of R.S.
17 11:2257 or the Initial Benefit Option provided by R.S. 11:2259(C).

18 §2287. Disability retirement; Survivor Benefits

19 A. A member of this subplan shall be eligible for disability benefits upon
20 meeting the criteria and procedures set forth in R.S. 11:2258.

21 B. Survivors' benefits shall be paid as otherwise provided in this Chapter.

22 PART III. NON-HAZARDOUS DUTY SUBPLAN

23 §2291. Creation of Non-Hazardous Duty Subplan

24 A. The Non-Hazardous Duty Subplan is created within the Firefighters'
25 Retirement System for members whose first employment making them eligible for
26 membership in the system occurred on or after January 1, 2013, in non-hazardous
27 duty positions as defined in this Part.

28 B. Any other provisions of this Chapter or any other laws to the contrary
29 notwithstanding, the retirement of Non-Hazardous Duty Subplan members shall be

1 governed by the provisions of this Part; however, if provisions of this Chapter cover
2 matters not specifically addressed by the provisions of this Part or if any of the
3 provisions of this Chapter are made applicable in this Part, then those provisions
4 shall apply to members governed by this Part.

5 §2292. Application; definitions

6 Terms not specifically defined in this Section shall have the meanings
7 provided in R.S. 11:2252 unless a different meaning is clearly required by the
8 context. For purposes of this Part:

9 (1) "Member" or "members" shall mean all persons otherwise qualifying as
10 a member under R.S. 11:2252 whose first employment making them eligible for
11 membership in this system occurred on or after January 1, 2013, who are not eligible
12 by virtue of their position to receive state supplemental pay.

13 (2) "Subplan" means the Non-Hazardous Duty Subplan created by this Part
14 for certain non-hazardous duty services employees within the system.

15 (3) "System" means the Firefighters' Retirement System.

16 §2293. Eligibility for plan membership

17 Membership in this subplan is limited to employees whose employment does
18 not qualify them to receive state supplemental pay.

19 §2294. Eligibility for retirement

20 A. Any member of this subplan shall be eligible for retirement if he has:

21 (1) Thirty years or more of service, at any age.

22 (2) Twenty-five years or more of service, at age fifty-five or thereafter.

23 (3) Twenty years of service credit at any age, exclusive of unused annual and
24 sick leave and military service other than qualified military service as provided in 26
25 U.S.C. 414(u) earned on or after December 12, 1994. Any person retiring under this
26 Paragraph shall have his benefit, inclusive of military service credit and allowable
27 unused annual and sick leave, actuarially reduced. Any member retiring under this
28 Paragraph shall have his benefit actuarially reduced from the earliest age that he
29 would normally become eligible for a regular retirement benefit under Paragraph (1)

1 or (2) of this Subsection based upon his years of service as of the date of retirement.

2 Any employee who elects to retire under the provisions of this Paragraph shall not
3 be eligible to participate in the Deferred Retirement Option Plan provided by R.S.
4 11:2257 or the Initial Benefit Option provided by R.S. 11:2259(C).

5 (4) Ten years or more of service, at age sixty.

6 §2295. Retirement benefit calculation

7 A. Except as provided in Subsection B of this Section, a member shall
8 receive a retirement benefit equal to three percent of average final compensation for
9 every year of creditable service in this subplan, not to exceed one hundred percent
10 of the member's average final compensation.

11 B. Retirement benefits for members who had service in hazardous duty or
12 service under existing plans prior to entering this subplan shall upon retirement
13 eligibility receive a retirement benefit for that prior service based on the applicable
14 accrual rate when earned.

15 C. Average final compensation as defined in R.S. 11:2252 for the total
16 benefit payable shall be based on all creditable service in the system.

17 §2296. Deferred Retirement Option Plan; Initial Benefit Option

18 A member who is eligible for regular retirement may elect to participate in
19 the Deferred Retirement Option Plan in accordance with the provisions of R.S.
20 11:2257 or the Initial Benefit Option provided by R.S. 11:2259(C).

21 §2297. Disability retirement; Survivor Benefits

22 A. A member of this subplan shall be eligible for disability benefits upon
23 meeting the criteria and procedures set forth in R.S. 11:2258.

24 B. Survivors' benefits shall be paid as otherwise provided in this Chapter.

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)]

Danahay

HB No. 1174

Abstract: Creates "Hazardous Duty" and "Non-Hazardous Duty" subplans within the Municipal Police Employees' Retirement System (MPERS) and the Firefighters' Retirement System (FRS) for new hires after December 31, 2012

Present law establishes the MPERS and FRS systems. Proposed law retains present law.

Proposed law establishes two new subplans each within MPERS and FRS. Each new subplan is for new hires on and after January 1, 2013. One subplan in each system is for "hazardous duty" members and the other is for "non-hazardous duty" members. Proposed law defined "hazardous duty" employees as persons eligible to receive state supplemental pay by virtue of their employment. Proposed law defines "non-hazardous duty" employees as persons not eligible to receive state supplemental pay by virtue of their employment.

Proposed law retains present law for current members of each system and for persons hired prior to January 1, 2013.

EMPLOYEE CONTRIBUTION RATES

Present law establishes the employee contribution rates for MPERS and FRS. Rates are based on the members salary being above or below the most recently issued federal poverty guideline. Proposed law retains present law for current employees and adds members of the hazardous duty services subplan to these amounts. Proposed law further establishes an employee contribution rate for the non-hazardous duty subplans in MPERS and FRS. For both systems, the rate is 8%.

"AVERAGE COMPENSATION"

Present law defines "average compensation" for members as the average of their 3 highest paid years of employment. Proposed law retains present law for current employees and for employees hired prior to January 1, 2013.

Proposed law changes the definition of "average compensation" for persons hired on or after January 1, 2013. Proposed law defines "average compensation" for these new employees as the average of their highest paid 5 years of employment.

Present law and proposed law both contain restrictions on "spiking" salaries of employees so that, year over year, a member's salary cannot increase over a certain percentage over the prior year's salary.

RETIREMENT ELIGIBILITY

Present law establishes retirement eligibility for MPERS:

- (1) 25 years of service or more, at any age.
- (2) 20 years of service or more, at 50 years of age.
- (3) 20 years of service or more, at any age, actuarially reduced.
- (4) 12 years of service or more, at 55 years of age.

Present law establishes retirement eligibility for FRS:

- (1) 25 years of service or more, at any age.

- (2) 20 years of service or more, at age 55.
- (3) 12 years of service or more, at age 55.

Proposed law retains present law for current employees and employees hired prior to January 1, 2013.

Proposed law establishes retirement eligibility for the Hazardous Duty subplan in MPERS and FRS as:

- (1) 25 years of service or more, at any age.
- (2) 12 years of service or more, at age 55 or after.
- (3) 20 years of service or more, at any age, actuarially recuded.

Proposed law establishes retirement eligibility for the Non-Hazardous Duty subplan in MPERS and FRS as:

- (1) 30 years of service or more, at any age.
- (2) 25 years of service or more, at age 55.
- (3) 20 years of service or more, at any age, actuarially reduced.

ACCRUAL RATE

Present law establishes the accrual rate of members in MPERS at 3.33%.

Present law establishes the accrual rate for members in FRS at 3.33%.

Proposed law retains present law for current employees and employees hired prior to January 1, 2013.

Proposed law establishes the accrual rate for the Hazardous Duty subplan in MPERS and FRS at 3.33%.

Proposed law establishes the accrual rate for the Non-Hazardous Duty subplan in MPERS and FRS at 3%.

Proposed law authorizes any member eligible for regular retirement (not disability or an actuarially reduced retirement benefit) in either subplan to participate in the Deferred Retirement Option Program (DROP).

DISABILITY AND SURVIVOR BENEFITS

Present law for MPERS generally provides the following for disability benefits:

Any member certified as disabled due to injury sustained in the course of his duties, and any active member certified as disabled for any reason so long as the member has at least 10 years of creditable service is entitled to disability. The disability benefit equals 3.33% of final average compensation multiplied by years of service, subject to a minimum of 40% of final compensation and a maximum of 60% of final compensation. Members with severe injuries (including total loss of an eye or limb) sustained in the line of duty receive 100% of their final average compensation.

Present law for FRS generally provides the following for disability benefits:

Any member certified as disabled due to injury sustained in the course of his duties, and any active member certified as disabled for any reason so long as the member has at least 5 years of creditable service is entitled to disability. Percentages of the accrued benefit the injured member is entitled to vary with age.

Present law for MPERS generally provides the following for survivor benefits:

If an active member is killed in the line of duty, the surviving spouse is entitled to a benefit equal to 100% of the deceased's final average compensation. If an active member is killed not in the line of duty and leaves a surviving spouse, the spouse is entitled to an annual benefit equal to 3.33% of the deceased's average final compensation multiplied by this total years of creditable service, subject to a minimum of 40% and a maximum of 60% of the

deceased's average final compensation. Minor children are entitled to a benefit until they reach age 18 or age 23 (if enrolled full-time in an institution of higher learning, high school, or vo-tech school). Different provisions apply to handicapped children of a deceased member.

Present law for FRS generally provides the following for survivor benefits:

If a member is killed in the line of duty and leaves a surviving spouse, the spouse is entitled to an annual benefit equal to 2/3 the deceased's final compensation. If a member is killed not in the line of duty, the surviving spouse is entitled to an annual benefit equal to 3% of the deceased members' average final compensation multiplied by his years of creditable service, subject to a minimum of 40% and a maximum of 60% of the member's final average compensation. Minor children of a deceased member are eligible for a benefit until they attain the age of majority or the age of 22 (if enrolled full-time in an institution of higher learning). Different provisions apply to handicapped children of a deceased member.

Proposed law retains present law for subplan members.

(Amends R.S. 11:62(3) and (6), 2213 (intro. para.), (4), and (20), 2252(4) and (19); Adds R.S. 11:2241.1-2241.7, 2242.1- 2242.7, 2181-2187, and 2291-2297)