

Regular Session, 2012

HOUSE BILL NO. 38

BY REPRESENTATIVE JONES

RETIREMENT SYSTEMS: Provides relative to certain rehired retirees

1 AN ACT

2 To enact R.S. 11:142(M), relative to the payment of retirement benefits; to provide for
3 reports when such benefits should be stopped; to provide for certification by the
4 employee; to provide relative to the fiduciary duty of affected boards; to provide
5 relative to the recovery of erroneously paid benefits; and to provide for related
6 matters.

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

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 11:142(M) is hereby enacted to read as follows:

12 §142. Reciprocal recognition of credited service in state, parochial, and municipal
13 systems

14 * * *

15 M.(1) If a retired member covered by the provisions of this Section returns
16 to active service in any state, municipal, or parochial system, and the employing
17 agency notifies the system that such member is a reemployed retiree, then the system
18 in which the retiree becomes a member by virtue of the return shall be responsible
19 for notifying all other retirement systems from which benefits are certified as being
20 received, pursuant to Paragraph (2) of this Subsection, by the member so that any

1 benefit payments otherwise due can be stopped pursuant to Subsection D of this
2 Section.

3 (2)(a) A prospective employee shall be required to list on his employment
4 application all Louisiana public retirement systems from which he is receiving a
5 retirement benefit. The prospective employee shall sign immediately beneath such
6 list a certification attesting that the list is true, complete, and accurate to the best of
7 the employee's knowledge.

8 (b) If a prospective employee certifies that he is receiving benefits from any
9 Louisiana public retirement system, within ten calendar days of his employment a
10 copy of his employment application containing such certification shall be sent by the
11 employer to all such retirement systems certified on the application.

12 Section 2. Notwithstanding any provision of law to the contrary, any retired member
13 of the Municipal Employees' Retirement System who paid into that system for at least fifteen
14 years and who was also a member of the Louisiana State Employees' Retirement System and
15 paid into that system for at least three and one-half years and who retired under a reciprocal
16 retirement agreement with said systems prior to the effective date of this Act and who
17 erroneously received retirement benefits while reemployed shall not be required to refund
18 such erroneously received retirement benefits to any system. The application of this Section
19 shall not be considered a violation of any trustee's fiduciary duty.

20 Section 3. This Act shall become effective upon signature by the governor or, if not
21 signed by the governor, upon expiration of the time for bills to become law without signature
22 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
23 vetoed by the governor and subsequently approved by the legislature, this Act shall become
24 effective on the day following such approval.

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)]

Jones

HB No. 38

Abstract: Requires retirement systems to notify each other when certain retirees return to work.

Present law authorizes a member of a retirement system or an eligible survivor of a member of a retirement system to combine years of service in different state, municipal, and parochial systems so that the employee or survivor may attain eligibility for retirement, disability, or survivor benefits.

Present law provides that each employer shall pay the benefits due to the employee for credit in such employer's system. Further provides that no employee who retires under a reciprocal recognition of benefits agreement shall receive benefits from any system while he is reemployed in a state, municipal, or parochial system.

Proposed law provides if a retiree under the provisions of present law returns to active service in any state, municipal, or parochial system, and the employing agency notifies the system that such retiree is a reemployed retiree, then the hiring system is responsible for notifying all other retirement systems from which the member is receiving benefits so that any benefit payments otherwise due can be stopped.

Further requires a prospective employee to list on his employment application all La. public retirement systems from which he is receiving a retirement benefit. Requires the employee to certify that the list is true, accurate, and complete to the best of his knowledge.

Further provides that if a prospective employee who certifies he is receiving benefits is hired, the employer must forward to each listed retirement system, within 10 calendar days, a copy of the employee's completed employment application.

Proposed law further provides that any class of persons who meet certain criteria established in proposed law shall not have to pay back benefits received in error. Provides that application of this provision shall not be considered a breach of any system trustee's fiduciary duty.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 11:142(M))

Summary of Amendments Adopted by House

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

1. Adds requirements that the employee identify the retirement systems from which he is receiving benefits and that the employing agency notify its retirement system of receipt of such benefits. Provides that such notice from the employing agency triggers the system-to-system notification otherwise required by proposed law.
2. Provides that application of proposed law shall not be considered a violation of any trustee's fiduciary duty.