
DIGEST

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Jones

HB No. 988

Abstract: Relative to the Firefighters' Retirement System (FRS), provides for a five-year deferred retirement option plan (DROP) for members with 27 or more years of creditable service.

Present law creates the DROP program within FRS. Upon entering DROP, the member's retirement benefit accrual and calculation are frozen, and he defers receipt of his retirement benefits while he continues to work. The benefits he would have received are instead deposited into an account during his time in DROP. Upon completion of this DROP election, the member may formally separate from service, collect the sum accumulated in his DROP account, and begin to collect his retirement benefit. Proposed law retains present law.

Present law provides for up to a three-year DROP period for any member who has at least 20 years of creditable service. Proposed law provides for up to a three-year DROP period for any member who has at least 20 but less than 27 years of creditable service. Proposed law provides for a five-year DROP period for any member who has at least 27 years of creditable service.

Proposed law further allows a member with 27 years of creditable service who is participating in DROP at the time proposed law becomes effective to extend his DROP participation period to the five-year total provided for in proposed law.

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

(Amends R.S. 11:2257(C))