

SENATE COMMITTEE AMENDMENTS

Amendments proposed by Senate Committee on Retirement to Reengrossed House Bill No. 1174 by Representative Danahay

1 AMENDMENT NO. 1

2 On page 1, line 2, after "R.S." delete the remainder of the line and delete lines 3 through 6
3 in their entirety and at the beginning of line 7 delete "subplans for new hires within" and
4 insert: "11:2213(introductory paragraph), (4), and (20) and to enact R.S. 11:2213(23) and
5 (24) and 2236, relative to benefits for new members of"

6 AMENDMENT NO. 2

7 On page 1, line 14, after "R.S." delete the remainder of the line and delete lines 15 through
8 18 in their entirety and insert: "11:2213(introductory paragraph), (4), and (20) are hereby
9 amended and reenacted and R.S. 11:2213(23) and (24) and 2236 are hereby enacted to read
10 as follows:"

11 AMENDMENT NO. 3

12 Delete page 2 in its entirety, and on page 3 delete lines 1 through 8

13 AMENDMENT NO. 4

14 On page 4, delete lines 17 through 28 and delete pages 5 through 17 in their entirety and
15 insert in lieu thereof the following:

16 (23) "Tier 1" shall mean the benefit structure applicable to members whose first
17 employment making them eligible for system membership occurred prior to January 1, 2013.

18 (24) "Tier 2" shall mean the benefit structure applicable to members whose first
19 employment making them eligible for system membership occurred on or after January 1,
20 2013.

21 * * *

22 §2236. Tier 2 provisions

23 A. Creation. (1) A second tier of benefits, to be known as Tier 2, is created within
24 the Municipal Police Employees' Retirement System for members whose first employment
25 making them eligible for membership in the system occurred on or after January 1, 2013.

26 (2) Any other provisions of this Chapter or any other laws to the contrary
27 notwithstanding, the retirement of Tier 2 members shall be governed by the provisions of
28 this Section; however, if provisions of this Chapter cover matters not specifically addressed
29 by the provisions of this Section or if any of the provisions of this Chapter are made
30 applicable in this Section, then those provisions shall apply to members governed by this
31 Section.

32 B. For purposes of this Section, the term "member" or "members" shall mean a
33 person or persons otherwise qualifying for system membership under R.S. 11:2213 whose
34 first employment making them eligible for membership in this system occurred on or after
35 January 1, 2013.

36 C. Eligibility for Tier 2 membership. (1) Membership in Tier 2 is limited to those
37 employees whose first employment making them eligible for system membership began on
38 or after January 1, 2013.

39 (2) No person who participated in the Deferred Retirement Option Plan as a member
40 of Tier 1 of this system shall be eligible for membership in Tier 2.

41 D. Eligibility for retirement. Any member of Tier 2 shall be eligible for retirement
42 if he has:

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

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

45 (3) Twelve years or more of service at age sixty or thereafter.

1 (4) Twenty years of service credit at any age, exclusive of unused annual and sick
 2 leave and military service other than qualified military service as provided in 26 U.S.C.
 3 414(u) earned on or after December 12, 1994. Any person retiring under this Paragraph
 4 shall have his benefit, inclusive of military service credit and allowable unused annual and
 5 sick leave, actuarially reduced from the date he would have attained age fifty-five. Any
 6 member who elects to retire pursuant to the provisions of this Paragraph shall not be eligible
 7 to participate in the Deferred Retirement Option Plan provided by R.S. 11:2221 or the Initial
 8 Benefit Option provided by R.S. 11:2224(F).

9 E. Retirement benefit calculation. (1) Except as provided in Paragraph (2) of this
 10 Subsection, a member shall receive a retirement benefit equal to three percent of average
 11 final compensation for every year of creditable service, not to exceed one hundred percent
 12 of the member's average final compensation. Notwithstanding this provision, a member who
 13 retires with thirty or more years of creditable service shall receive a retirement benefit equal
 14 to three and one-third percent of the member's average final compensation for every year of
 15 creditable service in Tier 2, not to exceed one hundred percent of the member's average final
 16 compensation.

17 (2) Members who had service in any other public retirement system, plan, or fund
 18 of this state shall upon retirement eligibility receive a retirement benefit for that prior service
 19 based on the applicable accrual rate when earned.

20 (3)(a) Creditable service maintained pursuant to a reciprocal agreement in another
 21 system, fund, or plan shall not be used to meet the requirement of thirty or more years of
 22 creditable service.

23 (b) Transferred service with an accrual rate of less than three and one-third percent
 24 shall not be used to meet the requirement of thirty or more years of creditable service unless
 25 the member elects to purchase the accrual rate for application to his transferred credit.

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

30 G. Disability retirement. (1)(a) Eligibility for disability benefits, procedures for
 31 application for disability benefits, procedures for the certification of continuing eligibility
 32 for disability benefits, the authority of the board of trustees to modify disability benefits, and
 33 procedures governing the restoration to active service of a formerly disabled employee shall
 34 be as provided in R.S. 11:202 through 225.

35 (b) The burden of proving that a disability is not based on a preexisting condition,
 36 prohibiting receipt of benefits, shall lie with the member if the physical examination and
 37 waiver forms required by R.S. 11:2214(A)(2) have not been submitted to the system.

38 (2)(a) The board of trustees shall award disability benefits to eligible members who
 39 have been officially certified as disabled to perform the position held by the member at the
 40 time that the disability was incurred or as disabled to perform any other position paying the
 41 same salary currently available in the department if the disability is not the result of a
 42 preexisting condition. Upon receipt of any application for disability retirement, the system
 43 shall request from the chief of police the job descriptions of all positions currently available
 44 in the department paying the same salary. Such job descriptions shall be submitted to the
 45 system within thirty days, or it shall be presumed that no position is available that pays the
 46 same salary. The disability benefit shall be determined as provided in this Subsection.

47 (b) Upon application for retirement due to a total and permanent disability caused
 48 solely as the result of injuries sustained in the performance of his official duties, a member
 49 shall receive a disability benefit equal to two and one-half percent of his average final
 50 compensation multiplied by his years of creditable service, but not less than thirty percent
 51 nor more than fifty percent of his average final compensation.

52 (c) Upon application for retirement due to a total and permanent disability, any
 53 member with at least ten years of creditable service shall receive a disability benefit equal
 54 to two and one-half percent of his average final compensation multiplied by his years of
 55 creditable service, but not less than thirty percent nor more than fifty percent of his average
 56 final compensation.

57 (d) In no case shall any disability benefit approved by the board of trustees be paid
 58 until all employee and employer contributions are received by the retirement system,
 59 covering service through the date of termination of employment. Furthermore, no
 60 application for disability benefits shall be approved until all previously refunded

1 contributions from the system have been repaid, including compounded interest at the board-
 2 approved actuarial valuation rate thereon from the date of refund until repaid in full.

3 (3)(a) In accordance with the provisions of this Section, at the time of attainment of
 4 normal retirement age, a service-connected disability benefit recipient shall have the option
 5 to continue to receive his disability retirement benefit or his vested retirement benefit for the
 6 remainder of his life; if he elects to receive his vested retirement benefit, such benefit shall
 7 be equal to the greater of his disability benefit or his vested retirement benefit. Such election
 8 filed with the retirement system shall become irrevocable thirty days after receipt.

9 (b) Upon attainment of normal retirement age, a disability recipient not covered by
 10 Subparagraph (a) of this Paragraph shall receive the greater of his disability retirement
 11 benefit or his vested benefit.

12 (4) Any person who is receiving or has received a disability retirement benefit from
 13 any law enforcement or police retirement plan or pension and relief fund for policemen,
 14 except a disability retiree of this system, shall not be eligible for membership in the
 15 Municipal Police Employees' Retirement System if he becomes no longer disabled and
 16 returns to service in the same municipality or becomes employed as a policeman or law
 17 enforcement officer while receiving a disability benefit.

18 (5)(a) Any disability retiree who is in a coma or who is paraplegic, when such
 19 condition is solely the result of injuries sustained in the performance of his official duties
 20 and such condition is certified by the State Medical Disability Board, shall receive a benefit
 21 equal to his average final compensation.

22 (b) Any disability retiree who is blinded or who loses the total use of a limb solely
 23 as a result of injuries sustained in the performance of his official duties and whose condition
 24 is certified by the State Medical Disability Board shall receive a benefit equal to his average
 25 final compensation. No funds derived from the assessments against insurers pursuant to R.S.
 26 22:1476 shall be used to pay any increased costs or increase in liability of the system
 27 resulting from the provisions of this Paragraph.

28 (6) Notwithstanding the provisions of R.S. 11:221(D), any disability benefits granted
 29 under the provisions of this Section shall not be reduced because the disability retiree is also
 30 receiving social security disability benefits.

31 H. Survivor Benefits. Benefits shall be payable to any survivor of an active
 32 contributing member who dies before retirement or a disability retiree who dies after
 33 retirement as specified in the following:

34 (1)(a) If an active contributing member or a disability retiree having at least ten
 35 years of creditable service in the system dies and leaves a surviving spouse, the surviving
 36 spouse shall receive a benefit calculated according to the regular retirement formula,
 37 disregarding age, but not less than thirty percent nor more than fifty percent of the member's
 38 average final compensation. If the surviving spouse remarries, such benefit shall cease
 39 unless remarriage occurs after the spouse attains the age of sixty years; the benefit shall
 40 resume after a subsequent termination of the new marriage and upon approval of the board
 41 of trustees.

42 (b) If the board of trustees determines that an active contributing member was killed
 43 as a result of injuries sustained in the line of duty, the cessation of benefits upon remarriage
 44 set forth in this Paragraph shall not apply. The surviving spouse shall receive a benefit equal
 45 to one hundred percent of the member's average final compensation less any survivor
 46 benefits payable to a child or children as provided in this Section. The sum of survivor
 47 benefits paid to children and a surviving spouse shall not exceed one hundred percent of the
 48 member's average final compensation. No funds derived from the assessments against
 49 insurers pursuant to R.S. 22:1476 shall be used to pay any increased costs or increase in
 50 liability of the system resulting from the payment of benefits to a surviving spouse pursuant
 51 to this Subparagraph.

52 (2)(a) If an active contributing member or a disability retiree having at least ten
 53 years of creditable service in the system dies and leaves, in addition to a surviving spouse,
 54 one or more children under eighteen years of age, each child under age eighteen shall be paid
 55 monthly benefits equal to ten percent of the deceased member's average final compensation,
 56 or two hundred dollars per month, whichever is greater. However, benefits payable on
 57 account of each child, when added to the benefits payable to the surviving spouse, shall not
 58 exceed an aggregate of one hundred percent of the deceased member's average final
 59 compensation. Benefits for a surviving child shall cease upon the child's attainment of age
 60 eighteen years or upon marriage, whichever occurs first, except that benefits shall continue:

1 (i) For a surviving child to age twenty-three if the child is a full-time, unmarried
2 student at a recognized institution of higher education, high school, or vocational-technical
3 school, and

4 (ii) For a surviving totally physically handicapped or mentally handicapped child
5 if such child was totally physically handicapped or mentally handicapped at the time of the
6 death of the member or became so prior to the attainment of age eighteen and is dependent
7 upon the surviving spouse or other legal guardian for subsistence.

8 (b) If an active contributing member or a disability retiree having at least ten years
9 of creditable service in the system dies and does not leave a surviving spouse but leaves one
10 or more children under the age of eighteen, each child under age eighteen shall be paid
11 monthly benefits equal to twenty-five percent of the deceased member's average final
12 compensation. Benefits paid on account of each child shall not exceed an aggregate of fifty
13 percent of the average final compensation. If the deceased member is survived by only one
14 minor child, the child shall be paid not less than thirty percent of the deceased member's
15 average final compensation. Benefits shall continue after the minor child attains age
16 eighteen as provided in Subparagraph (a) of this Paragraph.

17 (c) If at the time of a member's death the member is not married to the natural parent
18 of any child or children who are entitled to receive a payment pursuant to this Subsection
19 and if a trust has been created by the deceased member for the benefit of such child or
20 children, the payment shall be made to any person designated as a trustee by the member on
21 a certified copy of a trust document submitted to the system by the member.

22 (3) If a member who is eligible for retirement dies before retiring, the surviving
23 spouse shall automatically be paid benefits as though the member had retired on the date of
24 his death and elected Option 2, naming the surviving spouse as beneficiary, or shall be paid
25 benefits as provided in this Subsection whichever is greater.

26 (4) Any member who has twelve or more years of service credit established in the
27 retirement system and who terminates covered employment and leaves his accumulated
28 contributions in the retirement system in order to receive a retirement benefit upon reaching
29 the applicable age shall be covered by the survivor benefit provisions found in this
30 Subsection."