

Regular Session, 2012

HOUSE BILL NO. 1174

BY REPRESENTATIVE DANA HAY

AN ACT

To amend and reenact R.S. 11:62(6) and 2213(introductory paragraph), (4), and (20) and to enact Part II of Chapter 8 of Subtitle III of Title 11 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 11:2241.1 through 2241.8, and Part III of Chapter 8 of Subtitle III of Title 11 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 11:2242.1 through 2242.8, relative to the establishment of subplans for new hires within the Municipal Police Employees' Retirement System; to provide relative to eligibility, benefits, accrual, and contribution rates; to provide for definitions; to provide restrictions; and to provide for related matters.

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

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:62(6) and 2213(introductory paragraph), (4), and (20) are hereby amended and reenacted and Part II of Chapter 8 of Subtitle III of Title 11 of the Louisiana Revised Statutes of 1950, comprised of R.S. 11:2241.1 through 2241.8, and Part III of Chapter 8 of Subtitle III of Title 11 of the Louisiana Revised Statutes of 1950, comprised of R.S. 11:2242.1 through 2242.8, 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:

* * *

(6) Municipal Police Employees' 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 - 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:

If the total contribution

for the fiscal year expressed

as a percentage of payroll after

applying all required tax

contributions is:

The employee contribution

shall be:

25.0% or below	7.5%
25.01% to 25.75%	7.75%
25.76% to 26.5%	8.0%
26.51% to 27.25%	8.25%
27.26% to 28.0%	8.5%
28.01% to 28.75%	8.75%
28.76% to 29.5%	9.25%
29.51% to 30.25%	9.5%
30.26% to 31.0%	9.75%
31.0% or above	10.0%

(b) For members of the Non-Hazardous Duty Subplan – 8%, or equal to the rate established in Item (a)(ii) of this Paragraph if less than 8%.

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CHAPTER 8. MUNICIPAL POLICE EMPLOYEES'

RETIREMENT SYSTEM

PART I. GENERAL PROVISIONS AND PROVISIONS FOR MEMBERS NOTENROLLED IN A SUBPLAN

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§2213. Definitions

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

* * *

(4)(a) For members first employed on or before December 31, 2012, "average final compensation" shall mean the average annual earned compensation of an employee for any period of thirty-six successive or joined months of service as an employee during which the said earned compensation was the highest. In case of interruption of employment, the thirty-six month period shall be computed by joining employment periods immediately preceding and succeeding the interruption. The earnings to be considered for the thirteenth through the twenty-fourth months shall not exceed one hundred fifteen percent of the earnings for the first through the twelfth months. The earnings to be considered for the final twelve months shall not exceed one hundred fifteen percent of the earnings of the thirteenth through the twenty-fourth months.

(b) For members first employed on or after January 1, 2013, "average final compensation" means the average annual earned compensation of a member for the sixty highest months of successive employment, or for the highest sixty successive joined months of employment where interruption of service occurred. The earnings 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

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

10 * * *

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

13 * * *

14 PART II. HAZARDOUS DUTY SUBPLAN

15 §2241.1. Creation of Hazardous Duty Subplan

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

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

26 §2241.2. Application; definitions

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

1 (1) "Member" or "members" shall mean all persons otherwise qualifying as
2 a member under R.S. 11:2213 whose first employment making them eligible for
3 membership in this system occurred on or after January 1, 2013, and who by virtue
4 of their employment are eligible to receive state supplemental pay, notwithstanding
5 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 service employees within the system.

8 (3) "System" means the Municipal Police Employees' Retirement System.
9 §2241.3. 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 §2241.4. Eligibility for retirement

18 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 11:2221 or the Initial Benefit Option provided by R.S. 11:2224(F).

3 §2241.5. 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 percent of average final compensation for
6 every year of creditable service in this subplan, not to exceed one hundred percent
7 of the member's average final compensation. Notwithstanding this provision, a
8 member who retires with thirty or more years of creditable service shall receive a
9 retirement benefit equal to three and one-third percent of the member's average final
10 compensation for every year of creditable service in this subplan, not to exceed one
11 hundred percent of the member's average final compensation.

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

16 C.(1) Creditable service maintained pursuant to a reciprocal agreement in
17 another system, fund, or plan shall not be used to meet the requirement of thirty or
18 more years of creditable service.

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

23 §2241.6. Deferred Retirement Option Plan; Initial Benefit Option

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

27 §2241.7. Disability retirement

28 A.(1) Eligibility for disability benefits, procedures for application for
29 disability benefits, procedures for the certification of continuing eligibility for
30 disability benefits, the authority of the board of trustees to modify disability benefits,

1 and procedures governing the restoration to active service of a formerly disabled
2 employee shall be as provided in R.S. 11:202 through 225.

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

7 B.(1) The board of trustees shall award disability benefits to eligible
8 members who have been officially certified as disabled to perform the position held
9 by the member at the time that the disability was incurred or as disabled to perform
10 any other position paying the same salary currently available in the department if the
11 disability is not the result of a preexisting condition. Upon receipt of any application
12 for disability retirement, the system shall request from the chief of police the job
13 descriptions of all positions currently available in the department paying the same
14 salary. Such job descriptions shall be submitted to the system within thirty days, or
15 it shall be presumed that no position is available that pays the same salary. The
16 disability benefit shall be determined as provided in this Section.

17 (2) Upon application for retirement due to a total and permanent disability
18 caused solely as the result of injuries sustained in the performance of his official
19 duties, a member shall receive a disability benefit equal to two and three-quarters
20 percent of his average final compensation multiplied by his years of creditable
21 service, but not less than thirty-three percent nor more than fifty-five percent of his
22 average final compensation.

23 (3) Upon application for retirement due to a total and permanent disability,
24 any member with at least ten years creditable service shall receive a disability benefit
25 equal to two and three-quarters percent of his average final compensation multiplied
26 by his years of creditable service, but not less than thirty-three percent nor more than
27 fifty-five percent of his average final compensation.

28 (4) In no case shall any disability benefit approved by the board of trustees
29 be paid until all employee and employer contributions are received by the retirement
30 system, covering through the date of termination of employment. Furthermore, no

1 application for disability benefit shall be approved until all previously refunded
2 contributions from the system have been repaid, including compounded interest at
3 the board-approved actuarial valuation rate thereon from the date of refund until
4 repaid in full.

5 C.(1) At the time of attainment of normal retirement age, a service-connected
6 disability benefit recipient shall have the option to continue to receive his disability
7 retirement benefit or his vested retirement benefit for the remainder of his life; if he
8 elects to receive his vested retirement benefit, such benefit shall be equal to the
9 greater of his disability benefit or his vested retirement benefit. Such election filed
10 with the retirement system shall become irrevocable thirty days after receipt.

11 (2) Upon attainment of normal retirement age, a disability recipient not
12 covered by Paragraph (1) of this Subsection shall receive the greater of his disability
13 retirement benefit or his vested benefit.

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

21 E.(1) Any disability retiree who is in a coma or who is paraplegic, when such
22 condition is solely the result of injuries sustained in the performance of his official
23 duties and such condition is certified by the State Medical Disability Board shall
24 receive a benefit equal to his average final compensation.

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

1 increased costs or increase in liability of the system resulting from the provisions of
2 this Paragraph.

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

6 §2241.8. Survivor benefits

7 Benefits shall be payable to any survivor of an active contributing member
8 who dies before retirement or a disability retiree who dies after retirement as
9 specified in the following:

10 (1)(a) If an active contributing member or a disability retiree either of whom
11 has at least ten years of creditable service in the system dies and leaves a surviving
12 spouse, the surviving spouse shall receive a benefit calculated according to the
13 regular retirement formula, disregarding age, but not less than thirty-three percent
14 nor more than fifty-five percent of the member's average final compensation. If the
15 surviving spouse remarries, such benefit shall cease unless remarriage occurs after
16 age sixty years; the benefit shall resume after a subsequent termination of the new
17 marriage and upon approval of the board of trustees.

18 (b) If the board of trustees determines that an active contributing member is
19 killed as a result of injuries sustained in the line of duty, the cessation of benefits
20 upon remarriage set forth in this Paragraph shall not apply. The surviving spouse
21 shall receive a benefit equal to one hundred percent of the member's average final
22 compensation less any survivor benefits payable to a child or children as provided
23 in this Section. The sum of survivor benefits paid to children and a surviving spouse
24 shall not exceed one hundred percent of the member's final average compensation.
25 No funds derived from the assessments against insurers pursuant to R.S. 22:1476
26 shall be used to pay any increased costs or increase in liability of the system resulting
27 from the payment of benefits to a surviving spouse pursuant to this Item.

28 (2)(a) If an active contributing member or a disability retiree either of whom
29 has at least ten years of creditable service in the system dies and leaves, in addition
30 to a surviving spouse, one or more children under eighteen years of age, each child

1 under age eighteen shall be paid monthly benefits equal to ten percent of the
2 deceased member's average final compensation, or two hundred dollars per month,
3 whichever is greater. However, benefits payable on account of each child, when
4 added to the benefits payable to the surviving spouse, shall not exceed an aggregate
5 of one hundred percent of the deceased member's average final compensation.
6 Benefits for a surviving child shall cease upon the child's attainment of age eighteen
7 years or upon marriage, whichever occurs first, except that benefits shall continue:

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

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

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

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

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

5 (4) Any member who has twelve or more years of service credit established
6 in the retirement system and who terminates covered employment and leaves his
7 accumulated contributions in the retirement system in order to receive a retirement
8 benefit upon reaching the applicable age shall be covered by the survivor benefit
9 provisions found in this Section.

10 PART III. NONHAZARDOUS DUTY SUBPLAN

11 §2242.1. Creation of Nonhazardous Duty Subplan

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

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

22 §2242.2. Application; definitions

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

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

1 (2) "Subplan" means the Nonhazardous Duty Subplan created by this Part
2 for certain nonhazardous duty service employees within the system.

3 (3) "System" means the Municipal Police Employees' Retirement System.
4 §2242.3. Eligibility for plan membership

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

7 §2242.4. Eligibility for retirement

8 Any member of this subplan shall be eligible for retirement if he has:

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

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

11 (3) Twenty years of service credit at any age, exclusive of unused annual and
12 sick leave and military service other than qualified military service as provided in 26
13 U.S.C. 414(u) earned on or after December 12, 1994. Any person retiring under this
14 Paragraph shall have his benefit, inclusive of military service credit and allowable
15 unused annual and sick leave, actuarially reduced. Any member retiring under this
16 Paragraph shall have his benefit actuarially reduced from the earliest age that he
17 would normally become eligible for a regular retirement benefit under Paragraph (1)
18 or (2) of this Subsection based upon his years of service as of the date of retirement.
19 Any employee who elects to retire under the provisions of this Paragraph shall not
20 be eligible to participate in the Deferred Retirement Option Plan provided by R.S.
21 11:2221 or the Initial Benefit Option provided by R.S. 11:2224(F).

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

23 §2242.5. Retirement benefit calculation

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

28 B. Retirement benefits for members who had service in hazardous duty or
29 service under existing plans prior to entering this subplan shall upon retirement

1 eligibility receive a retirement benefit for that prior service based on the applicable
2 accrual rate when earned.

3 C. Average final compensation as defined in R.S. 11:2213 shall be based on
4 all creditable service in the system regardless of the subplan in which such service
5 has been earned.

6 §2242.6. Deferred Retirement Option Plan; Initial Benefit Option

7 A member who is eligible for regular retirement may elect to participate in
8 the Deferred Retirement Option Plan in accordance with the provisions of R.S.
9 11:2221 or the Initial Benefit Option provided by R.S. 11:2224(F).

10 §2242.7. Disability retirement

11 A.(1) Eligibility for disability benefits, procedures for application for
12 disability benefits, procedures for the certification of continuing eligibility for
13 disability benefits, the authority of the board of trustees to modify disability benefits,
14 and procedures governing the restoration to active service of a formerly disabled
15 employee shall be as provided in R.S. 11:202 through 225.

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

20 B.(1) The board of trustees shall award disability benefits to eligible
21 members who have been officially certified as disabled to perform the position held
22 by the member at the time that the disability was incurred or as disabled to perform
23 any other position paying the same salary currently available in the department if the
24 disability is not the result of a preexisting condition. Upon receipt of any application
25 for disability retirement, the system shall request from the chief of police the job
26 descriptions of all positions currently available in the department paying the same
27 salary. Such job descriptions shall be submitted to the system within thirty days, or
28 it shall be presumed that no position is available that pays the same salary. The
29 disability benefit shall be determined as provided in this Section.

1 (2) Upon application for retirement due to a total and permanent disability,
2 any member with at least ten years creditable service shall receive a disability benefit
3 equal to two and one-quarter percent of his average final compensation multiplied
4 by his years of creditable service, but not less than twenty-five percent nor more than
5 fifty percent of his average final compensation.

6 (3) In no case shall any disability benefit approved by the board of trustees
7 be paid until all employee and employer contributions are received by the retirement
8 system, covering through the date of termination of employment. Furthermore, no
9 application for disability benefit shall be approved until all previously refunded
10 contributions from the system have been repaid, including compounded interest at
11 the board-approved actuarial valuation rate thereon from the date of refund until
12 repaid in full.

13 C. Upon attainment of normal retirement age, a disability recipient shall
14 receive the greater of his disability retirement benefit or his vested benefit.

15 D. Any person who is receiving or has received a disability retirement
16 benefit from any other retirement plan or pension and relief fund for public
17 employees, except disability retirees of this system, shall not be eligible for
18 membership in the Municipal Police Employees' Retirement System if he becomes
19 no longer disabled and returns to service in the same municipality or becomes
20 employed as a policeman or law enforcement officer while receiving a disability
21 benefit.

22 E.(1) Any disability retiree who is in a coma or who is paraplegic, when such
23 condition is solely the result of injuries sustained in the performance of his official
24 duties and such condition is certified as total and permanent, shall receive a benefit
25 equal to his average final compensation.

26 (2) Any disability retiree who is blinded or who loses the total use of a limb
27 solely as a result of injuries sustained in the performance of his official duties and
28 whose condition is certified as total and permanent shall receive a benefit equal to
29 his average final compensation. No funds derived from the assessments against

1 insurers pursuant to R.S. 22:1476 shall be used to pay any increased costs or increase
2 in liability of the system resulting from the provisions of this Paragraph.

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

6 §2242.8. Survivor benefits

7 Benefits shall be payable to any survivor of an active contributing member
8 who dies before retirement or a disability retiree who dies after retirement as
9 specified in the following:

10 (1)(a) If an active contributing member or a disability retiree either of whom
11 has at least ten years of creditable service in the system dies and leaves a surviving
12 spouse, the surviving spouse shall receive a benefit calculated according to the
13 regular retirement formula, disregarding age, but not less than twenty-five percent
14 nor more than fifty percent of the member's average final compensation. If the
15 surviving spouse remarries, such benefit shall cease unless remarriage occurs after
16 age sixty years; the benefit shall resume after a subsequent termination of the new
17 marriage and upon approval of the board of trustees.

18 (b) If the board of trustees determines that an active contributing member is
19 killed as a result of injuries sustained in the line of duty, the cessation of benefits
20 upon remarriage set forth in this Paragraph shall not apply. The surviving spouse
21 shall receive a benefit equal to one hundred percent of the member's final average
22 compensation less any survivor benefits payable to a child or children as provided
23 in this Section. The sum of survivor benefits paid to children and a surviving spouse
24 shall not exceed one hundred percent of the member's average final compensation.
25 No funds derived from the assessments against insurers pursuant to R.S. 22:1476
26 shall be used to pay any increased costs or increase in liability of the system resulting
27 from the payment of benefits to a surviving spouse pursuant to this Item.

28 (2)(a) If an active contributing member or a disability retiree either of whom
29 has at least ten years of creditable service in the system dies and leaves, in addition
30 to a surviving spouse, one or more children under eighteen years of age, each child

1 under age eighteen shall be paid monthly benefits equal to ten percent of the
2 deceased member's average final compensation, or two hundred dollars per month,
3 whichever is greater. However, benefits payable on account of each child, when
4 added to the benefits payable to the surviving spouse, shall not exceed an aggregate
5 of one hundred percent of the deceased member's average final compensation.
6 Benefits for a surviving child shall cease upon the child's attainment of age eighteen
7 years or upon marriage, whichever occurs first, except that benefits shall continue:

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

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

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

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

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

6 (4) Any member who has twelve or more years of service credit established
 7 in the retirement system and who terminates covered employment and leaves his
 8 accumulated contributions in the retirement system in order to receive a retirement
 9 benefit upon reaching the applicable age shall be covered by the survivor benefit
 10 provisions found in this Section.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____