

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 would have provided that 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 would have been required to notify all other retirement systems from which the member is receiving benefits so that any benefit payments can be stopped.

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

Would have further required that a prospective employee certify that he is receiving retirement benefits and required that the employer forward to each listed retirement system, within 10 calendar days after employment, a copy of the employee's completed employment application.

Proposed law would have further provided that any person who meets certain criteria established in proposed law would not be required to pay back benefits received in error. Would have provided that application of this provision would not be considered a breach of any system trustee's fiduciary duty.

(Proposed to add R.S. 11:142(M))

VETO MESSAGE: "House Bill No. 38 by Representative Jones forgives a debt owed to a retirement system by a retiree who received retirement benefits while rehired. The bill sets a dangerous precedent for legislation to grant special benefits to select individuals.

Louisiana's public pension systems impose a large burden on Louisiana taxpayers. We cannot continue to grant additional benefits as we struggle to get our retirement debt and costs under control. The boards of both the Municipal Employees Retirement System and Louisiana State Employees Retirement System have requested a veto.

For these reasons, I have vetoed House Bill No. 38 and hereby return it to the House of Representatives."