

Existing law establishes the Municipal Police Employees' Retirement System (MPERS) and establishes benefit structures, requirements, etc. for participating members. New law retains existing law for members hired prior to January 1, 2013. New law further creates "Hazardous Duty" and "Nonhazardous Duty" subplans within MPERS with separate benefit structures, requirements, etc. for new members hired on or after January 1, 2013.

Under new law, the "Hazardous Duty" Subplan includes members eligible to receive state supplemental pay by virtue of their employment.

Employee Contribution Rates

Existing law establishes the employee contribution rates for MPERS members. Rates vary based on the members' salaries relative to the federal poverty guideline and relative to total contributions. New law makes existing law applicable to current employees and members of the Hazardous Duty Subplan. New law further establishes an employee contribution rate for the nonhazardous duty subplan at 8% or the equivalent of the rate for the hazardous duty subplan if less than 8%.

Average Compensation

Existing law defines "average compensation" as the average annual compensation of their three highest paid years of employment. New law retains existing law for employees hired prior to Jan. 1, 2013.

New law changes the definition of "average final compensation" for persons hired on or after Jan. 1, 2013, to the average annual compensation of their highest paid five years of employment.

Retirement Eligibility

Existing law establishes retirement eligibility for MPERS:

- (1) 25 years of service or more, at any age.
- (2) 20 years of service or more, at 50 years of age.
- (3) 20 years of service or more, at any age, actuarially reduced.
- (4) 12 years of service or more, at 55 years of age.

New law retains existing law for employees hired prior to Jan. 1, 2013.

New law establishes retirement eligibility for members of the Hazardous Duty Subplan as:

- (1) 25 years of service or more, at any age.
- (2) 12 years of service or more, at age 55 or older.
- (3) 20 years of service or more, at any age, actuarially reduced.

New law establishes retirement eligibility for members of the Nonhazardous Duty Subplan as:

- (1) 30 years of service or more, at any age.
- (2) 25 years of service or more, at age 55 or older.
- (3) 20 years of service or more, at any age, actuarially reduced.

Accrual Rate

Existing law establishes the accrual rate of members in MPERS at 3.33%.

New law retains existing law for current employees and employees hired prior to Jan. 1, 2013.

New law establishes the accrual rate for the Hazardous Duty Subplan at 3% unless the member retires with 30 years of service or more. If a member retires with 30 years of service

or more, his accrual rate is 3.33%. Further places restrictions on the creditable service that may be used to meet the 30 years of service requirement.

New law establishes the accrual rate for the Nonhazardous Duty Subplan at 2.5%.

New law authorizes any member eligible for regular retirement (not disability or an actuarially reduced retirement benefit) in either subplan to participate in the Deferred Retirement Option Program (DROP).

Disability Benefits

Existing law for MPERS generally provides the following for disability benefits: Any member certified as disabled due to injury sustained in the course of his duties, and any active member certified as disabled for any reason so long as the member has at least 10 years of creditable service is entitled to disability. Members with severe injuries (including total loss of an eye or limb) sustained in the line of duty receive 100% of their average final compensation.

New law for both subplans retains existing law.

Existing law for MPERS provides for the following calculation for disability benefits: The disability benefit equals 3.33% of average final compensation multiplied by years of service, subject to a minimum of 40% of final compensation and a maximum of 60% of final compensation. New law retains existing law for current members and members hired prior to Jan. 1, 2013.

New law provides that disability benefits in the Hazardous Duty Subplan are equal to 2.75% of the member's average final compensation, multiplied by his years of service, subject to a minimum of 33% of average final compensation and a maximum of 55% of average final compensation. Disability benefits in the Nonhazardous Duty Subplan are equal to 2.25% of his average final compensation, multiplied by his years of service, subject to a minimum of 25% of his average final compensation and a maximum of 50% of his final average compensation.

Survivor Benefits

Existing law for MPERS generally provides the following for survivor benefits:

- (1) If an active member is killed in the line of duty, the surviving spouse is entitled to a benefit equal to 100% of the deceased's average final compensation. Minor children are entitled to a benefit until they reach age 18 or age 23 (if enrolled full-time in an institution of higher learning, high school, or vo-tech school). Different provisions apply to handicapped children of a deceased member.
- (2) If an active member is killed but not in the line of duty: the spouse is entitled to an annual benefit equal to 3.33% of the deceased's average final compensation multiplied by his total years of creditable service, subject to a minimum of 40% and a maximum of 60% of the deceased's average final compensation.

New law retains existing law for members hired prior to Jan. 1, 2013.

New law, applicable to all members hired on or after Jan. 1, 2013, requires that a member have at least 10 years of service to qualify for survivor benefits.

New law provides that survivor benefits due to a death that is not in the line of duty are calculated according to the regular retirement formula but subject to the following limitations:

- (1) Hazardous Duty Subplan: not less than 33% and not more than 55% of average final compensation.
- (2) Nonhazardous Duty Subplan: not less than 25% and not more than 50% of average final compensation.

Effective August 1, 2012.

(Amends R.S. 11:62(6) and 2213(intro. para.), (4), and (20); Adds R.S. 11:2241.1-2241.8 and 2242.1- 2242.8)