

RÉSUMÉ DIGEST

ACT 250 (HB 29)

2021 Regular Session

Jefferson

Costs of Legal Actions

New law provides that the Firefighters' Retirement System (FRS) may recover attorney fees and court costs associated with either of the following:

- (1) A court action to recover unpaid employer or employee contributions.
- (2) A concursus proceeding in which FRS is named as a party.

Dissolution of Fire Department and Unfunded Accrued Liability Payment

New law provides that if an employer dissolves or partially dissolves its fire department, then beginning on the first July following the dissolution, the employer shall pay the department's portion of the unfunded accrued liability to FRS according to the percent included in the prior fiscal year's employer pension report. Provides the amount due to the system shall include interest at the system's valuation interest rate.

New law provides that if an employer partially dissolves its fire department, it shall pay a pro rata portion of the system's unfunded accrued liability.

New law provides that a partially dissolved fire department is one that meets one of the following criteria:

- (1) The number of participating employees of the employer as of June 30 is 70% less than June 30 of the previous year and either the number of participating employees decreases by at least three or the number of participating employees is zero.
- (2) The number of participating employees of the employer, as of June 30, is at least 50 fewer than the previous year.

New law provides that payments due to the system be determined by the system's actuary and amortized over 15 years in equal payments.

New law provides that if the number of employees of a partially dissolved employer returns to the number participating prior to withdrawal, payments will cease and payments made will be credited as an offset of any amount due by the employer attributable to any subsequent withdrawal that occurs within 15 years of payment.

New law provides for collection of funds if an employer fails to make such payments by either:

- (1) Action in a court of competent jurisdiction against the employer. The employer is responsible for legal and actuarial fees incurred by the system.
- (2) The board of trustees may submit a resolution and certification to the state treasurer of the name of the delinquent employer and amount owed. The state treasurer shall deduct monies payable to the employer and remit said monies directly to the system.

Employee Contributions and Credit Union Loans

Existing law authorizes a member of FRS to assign the accumulated contributions he has made to the system to a firefighters' credit union in consideration of a loan. If a member with less than 12 years of creditable service leaves employment, existing law requires that his contributions be paid to the credit union.

New law requires payment of such contributions to the credit union if the member has 12 or more years of creditable service and dies without a survivor who is entitled to benefits.

Effective August 1, 2021.

(Amends R.S. 2262(D)(2)(b) and 2265(A)(2); Adds R.S. 11:2262(D)(2)(c) and 2262.1)