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## DIGEST

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Leger

HB No. 94

**Abstract:** Relative to benefits of new members, those hired on and after Jan. 1, 2015, of the Firefighters' Pension and Relief Fund in the city of New Orleans (NOFF).

Present law establishes NOFF and provides specific rights and benefits for members employed by the fire department on and after Jan. 1, 1968. Proposed law retains present law for all members of NOFF employed by the fire department on or before December 31, 2014.

Present law (R.S. 11:3384) provides that a member of NOFF hired after Jan. 1, 1968, may retire with 12 years of creditable service upon attaining 50 years of age. Proposed law changes the age for retirement eligibility a member of NOFF hired on or after Jan. 1, 2015, from 50 to 52.

Present law provides that a member of NOFF hired after Jan. 1, 1968, who has worked at least one hour of service after Dec. 31, 1995, receives a retirement benefit calculated as follows:

- (1) If the member works at least 12 and not more than 30 years, his benefit will equal 2.5% x (5-year FAC) x years of service.
- (2) If the member works more than 12 years (but less than 30 years) and attains the age of 50, his benefit will be modified so that each year or portion of a year beyond 12 years of service and after age 50 shall equal 3.33% of average annual compensation for each such year or portion of a year.
- (3) If the member works 30 or more years, his benefit will be modified so that each year or portion of a year beyond 12 years of service shall equal 3.33% of average annual compensation.

Proposed law provides that for members of NOFF hired on or after Jan. 1, 2015, the benefit shall be calculated as follows: 2.75% x (5-year FAC) x years of service.

Present law (R.S. 11:3386) authorizes a member who has at least 12 years of creditable service, but who has not yet attained the age of 50, to leave employment and begin receiving his benefit check upon attaining age 50 if he has not withdrawn his accumulated contributions from the system. Proposed law retains present law for members hired on or before Dec. 31, 2014. Changes the age at which a member first hired on or after Jan. 1, 2015, may receive a deferred benefit from 50 to 52.

Present law provides a benefit calculation for such deferred vested member as follows: 2.5% x (his highest year of compensation) x years of service. Proposed law retains present law.

Present law provides that the system shall transfer the accumulated contributions of deferred vested member who dies after withdrawal from service but prior to attaining the age necessary for a retirement benefit in a lump sum, including interest, to his widow, or children, or survivor. Proposed law changes the recipients of such lump sum for members hired on or after Jan. 1, 2015, to the widow, child or children, or the deceased's estate.

Present law provides that if a deferred vested member who is receiving benefits dies, his widow shall receive the minimum benefit established in present law (\$1,200/month). Further provides that if the member leaves a widow and at least one child under the age of 18, then the widow and the child or children under 18 shall split the minimum benefit amount equally. Upon the earlier of attaining the age of 18 or marriage, the benefits paid to the minor child shall cease. Proposed law retains present law.

Effective Jan. 1, 2015.

(Amends R.S. 11:3384(A), (B), and (D) and 3386)