RÉSUMÉ DIGEST

ACT 248 (SB 9) **2022 Regular Session** **Robert Mills**

Existing law provides that a member or survivor eligible for a benefit from the Municipal Employees' Retirement System (MERS) shall make application for such benefit to the board. Provides for the retirement allowance to be paid monthly commencing on the first day of the first month following board approval.

New law provides that if a written application for any benefit is received by the board within 60 days or fewer after the date the applicant became eligible for the benefit, benefits shall be paid retroactive to the date of eligibility. Further provides that if an application for any benefit is received by the board more than 60 days after the eligibility date, retroactive benefits shall be paid only for the 60 days prior to the date the application is received by the board.

Existing law provides for employer municipalities participating in MERS to elect to allow employees to convert unused annual and sick leave to retirement credit.

New law retains existing law and makes the election allowed under existing law available to all participating employers.

Existing law provides for the duties of MERS' actuary, including making an actuarial investigation (sometimes referred to as an "experience study") of the members as to mortality, disability, retirement, separation, marital status of employees, marriage of surviving spouses, interest, and employee earning rates at least once every three years.

New law requires an actuarial investigation in FY 2023-2024 and changes the frequency of future studies from every three years to every five years.

Existing law provides that a trustee shall serve without compensation but shall be reimbursed as provided by existing law. New law retains existing law but removes the prior law provision that prohibited a trustee from accepting anything of economic value from any person identified in existing ethics law unless the thing of value was food, drink, or refreshments consumed by the trustee while the personal guest of some person during an educational or professional development seminar or conference.

Existing law requires each board member to discharge his fiduciary duties solely in the interest of the system's members and beneficiaries and for the exclusive purpose of providing benefits to the members and their beneficiaries, and defraying reasonable expenses of administering the system, with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

New law retains existing law.

Existing law requires the board to include in the financial statement submitted to the legislature pursuant to existing law an itemized schedule of all amounts paid by the system to or on behalf of the system's board members. New law removes this requirement.

Existing law provides that the MERS board of trustees is the custodian of the system funds. Requires all expense vouchers and pension payrolls to be certified by the administrative director.

Existing law prohibits the board paying for a board member's attendance at more than one educational or professional development seminar or conference per fiscal year held outside of the state of La. Prohibits payment for a board member's attendance at any educational or professional development seminar or conference that is not affiliated with an association related to state retirement systems. New law removes these prohibitions.

Existing law authorizes the MERS board and the board of the Parochial Employees' Retirement System (PERS) to keep available cash for paying expenses and benefits on deposit in one or more banks or trust companies of the state of La. organized under existing law, provided that the sum on deposit in any one bank or trust company shall not exceed 10% of the paid up capital and surplus of the bank or trust company.

Prior law limited the amount of cash each system was authorized to keep available for payment of expenses and benefits to one percent of the total amount of system funds.

New law increases the limit on cash available for payment of expenses and benefits from one percent to 10%.

Effective June 30, 2022.

(Amends R.S. 11:1755(E)(1)(a) and (5), 1821(E), 1823(22), 1826(B), 1842, 1843, and 2003; adds R.S. 11:1756(D); repeals R.S. 11:1823(23))