

Regular Session, 2014

ACT No. 648

HOUSE BILL NO. 1278 (Substitute for House Bill No. 79 by Representative Pearson)

BY REPRESENTATIVES PEARSON, HOFFMANN, HOLLIS, IVEY, MILLER, AND TALBOT

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AN ACT

To amend and reenact R.S. 11:102(C)(1)(l) and (4)(b), 612(introductory paragraph), 613(A), 615(B), the heading of Subpart G of Part II of Chapter 3 of Subtitle IV of Title 11 of the Louisiana Revised Statutes of 1950, 3681, 3682(1), (2), (4)(a), (7), (16), (18) through (20), and (26), 3683(introductory paragraph), (1), and (3)(b), 3684(A), (D), and (F), 3685(A)(1)(a) and (2)(introductory paragraph) and (d), (B)(1), (3) through (6), and (8), (C)(1), (2), and (13), and (E), 3685.2(B)(introductory paragraph), (6) and (7), 3686(B)(1), (D)(3), and (E), 3688(D), 3688.1, 3690(A) and (B), 3690.2, 3692(A), and 3695(C)(introductory paragraph), to enact R.S. 11:102(C)(1)(m), 416(A)(3)(d), 612(2.1), 620.1, Subpart E of Part VII of Chapter 1 of Subtitle II of Title 11 of the Louisiana Revised Statutes of 1950, comprised of R.S. 11:631, and 3682(20.1), and to repeal R.S. 11:3682(29), 3685(D), 3688(A) through (C) and (E), 3689(B) through (E), 3690 (C) and (D), 3690.1, 3691, 3693, and 3698, relative to retirement for employees of the Harbor Police Department of the Port of New Orleans; to provide relative to the merger of the Harbor Police Retirement System into the Louisiana State Employees' Retirement System; to provide for enrollment of new hires of the Harbor Police Department in the Hazardous Duty Services Plan in the Louisiana State Employees' Retirement System; to provide relative to a cooperative endeavor agreement with respect to the merger of the systems; to provide relative to the assets of the Harbor Police Retirement System; to provide relative to benefits for members of the Harbor Police Retirement System; to provide relative to retirement benefits for new hires of the Harbor Police Department of the Port of New Orleans; to provide relative to the boards of trustees of the Louisiana State Employees' Retirement System and the Harbor Police Retirement System; to provide an effective date; and to provide for related matters.

1 Notice of intention to introduce this Act has been published
2 as provided by Article X, Section 29(C) of the Constitution
3 of Louisiana.

4 Be it enacted by the Legislature of Louisiana:

5 Section 1. R.S. 11:612(introductory paragraph), 613(A), 615(B), 3682(16) and
6 3683(1) are hereby amended and reenacted and R.S. 11:612(2.1) is hereby enacted to read
7 as follows:

8 §612. Application; definitions

9 Terms not specifically defined in this Section but defined in R.S. 11:403 shall
10 have the meanings provided in R.S. 11:403 unless a different meaning is clearly
11 required by the context. For purposes of this Subpart:

12 * * *

13 (2.1) In addition to the definition provided in Paragraph (2) of this Section,
14 the term "member" shall include any commissioned employee of the Harbor Police
15 Department of the Port of New Orleans first hired on or after July 1, 2014.

16 * * *

17 §613. Eligibility for plan membership

18 A. Each person who becomes an employee in state service in one of the
19 positions defined in R.S. 11:612(2) or (2.1) shall become a member of the Hazardous
20 Duty Services Plan of the system as a condition of employment.

21 * * *

22 §615. Retirement benefit calculation

23 * * *

24 B. If the member's last ten years of creditable service were not accrued
25 exclusively in one of the hazardous duty positions defined in R.S. 11:612(2) or (2.1),
26 he shall receive a retirement benefit equal to two and one-half percent of his average
27 compensation for the actual number of years of creditable service earned in a
28 hazardous duty position.

29 * * *

1 §3682. Definitions

2 The following words and phrases, as used in this Subpart, unless expressly
3 indicated to the contrary or unless a different meaning is plainly required by context,
4 shall have the following meanings:

5 * * *

6 (16) "Employee" means any commissioned member or employee of the
7 Harbor Police Department of the Port of New Orleans prior to July 1, 2004, or any
8 commissioned member of the Harbor Police Department of the Port of New Orleans
9 on or after July 1, 2004 and hired on or before June 30, 2014.

10 * * *

11 §3683. Membership

12 The membership of the retirement system shall be composed as follows:

13 (1) All persons who shall become employees as defined in R.S. 11:3682(16)
14 after August 1, 1971, and on or before June 30, 2014, except those specifically
15 excluded under Paragraph (3) of this Section, shall become members as a condition
16 of their employment, provided they are under fifty years of age at the date of
17 employment.

18 * * *

19 Section 2. R.S. 11:102(C)(1)(l) and (4)(b), the heading of Subpart G of Part II of
20 Chapter 3 of Subtitle IV of Title 11 of the Louisiana Revised Statutes of 1950, 3681,
21 3682(1), (2), (4)(a), (7), (18) through (20), and (26), 3683(introductory paragraph) and
22 (3)(b), 3684(A), (D), and (F), 3685(A)(1)(a) and (2)(introductory paragraph) and (d),(B)(1),
23 (3) through (6), and (8), (C)(1), (2), and (13), and (E), 3685.2(B)(introductory paragraph),
24 (6) and (7), 3686(B)(1), (D)(3), and (E), 3688(D), 3688.1, 3690(A) and (B), 3690.2,
25 3692(A), and 3695(C)(introductory paragraph) are hereby amended and reenacted and R.S.
26 11:102(C)(1)(m), 416(A)(3)(d), 620.1, Subpart E of Part VII of Chapter 1 of Subtitle II of
27 Title 11 of the Louisiana Revised Statutes of 1950, comprised of R.S. 11:631, and
28 3682(20.1) are hereby enacted to read as follows:

1 §102. Employer contributions; determination; state systems

2 * * *

3 C.(1) This Subsection shall be applicable to the Louisiana State Employees'
4 Retirement System effective for the June 30, 2010, system valuation and beginning
5 Fiscal Year 2011-2012. For purposes of this Subsection, "plan" or "plans" shall
6 mean a subgroup within the system characterized by the following employee
7 classifications:

8 * * *

9 (l) Harbor Police Retirement Plan members as provided pursuant to R.S.
10 11:631.

11 (m) Any other specialty retirement plan provided for a subgroup of system
12 members. If the legislation enacting such a plan is silent as to the application of this
13 Subsection, the Public Retirement Systems' Actuarial Committee shall provide for
14 the application to such plan.

15 * * *

16 (4) For each plan referenced in Paragraph (1) of this Subsection, the
17 legislature shall set the required employer contribution rate equal to the sum of the
18 following:

19 * * *

20 (b) The shared unfunded accrued liability rate. (i) Except as provided in
21 Item (ii) of this Subparagraph, a ~~A~~ single rate shall be computed for each fiscal year,
22 applicable to all plans for actuarial changes, gains, and losses existing on June 30,
23 2010, or occurring thereafter, including experience and investment gains and losses,
24 which are independent of the existence of the plans listed in Paragraph (1) of this
25 Subsection, the payment and rate therefor shall be calculated as provided in
26 Paragraphs (B)(1) and (3) of this Section.

27 (ii) The shared unfunded accrued liability rate applicable to the Harbor
28 Police Retirement System shall not include any unfunded accrued liability incurred
29 on or before July 1, 2015, until the earlier of:

30 (aa) July 1, 2022.

1 become a member of this plan by submitting an application to the board of trustees
 2 to become effective on or after July 1, 2015.

3 B. Any eligible member who elects to transfer to the Hazardous Duty
 4 Services Plan from the Harbor Police Retirement Plan shall have the option of:

5 (1) Maintaining prior service credit in the Harbor Police Retirement Plan
 6 pursuant to the provisions of that plan and accruing service credit and benefits in the
 7 Hazardous Duty Services Plan after the date he joins the plan. If such election
 8 results in an actuarial cost to this system, the member shall pay the system the
 9 amount of such actuarial cost prior to his retirement.

10 (2)(a) An internal actuarial transfer from the Harbor Police Retirement Plan
 11 to this plan in accordance with the provisions of R.S. 11:143(C) and (D) in which the
 12 member transfers all of his service credit from the Harbor Police Retirement Plan
 13 and maintains prior service credit at the accrual rate at which it was earned in such
 14 plan prior to joining the Hazardous Duty Services Plan. If the amount of funds
 15 transferred is less than the actuarial cost of the service transferred, the member
 16 transferring, except as otherwise provided in this Section, shall pay the deficit or
 17 difference, including the interest thereon at the board-approved actuarial valuation
 18 rate of the system.

19 (b) In lieu of paying the deficit or difference plus interest, the member may,
 20 at his option but only at the time of transfer, be granted an amount of credit in this
 21 plan which is based on the amount of funds actually transferred plus any additional
 22 funds less than the deficit paid by the member.

23 (c) A member who completes a transfer under the provisions of this
 24 Paragraph shall have his retirement benefit calculated using the accrual rate of the
 25 plan from which he transferred based on the number of years transferred.

26 C. A member whose first employment making him eligible for membership
 27 in the Harbor Police Retirement Plan occurred on or before June 30, 2015, who
 28 elects to join this plan shall thereafter for purposes of all state retirement systems be

1 treated as an employee whose membership is governed by the provisions of Act No.
2 992 of the 2010 Regular Session of the Legislature.

3 * * *

4 SUBPART E. HARBOR POLICE RETIREMENT PLAN

5 §631. Administration of the Harbor Police Retirement Plan

6 A. With the exception of payment of permanent benefit increases,
7 membership and benefits for the Harbor Police Retirement Plan shall be in
8 accordance with the provisions of Subpart G of Part II of Chapter 3 of Subtitle IV of
9 Title 11 of the Louisiana Revised Statutes of 1950; however, if provisions of this
10 Chapter cover matters not specifically addressed by the provisions of Subpart G of
11 Part II of Chapter 3 of Subtitle IV of Title 11 of the Louisiana Revised Statutes of
12 1950, the provisions of this Chapter shall apply to that plan. The provisions of
13 Subpart G of Part II of Chapter 3 of Subtitle IV of Title 11 of the Louisiana Revised
14 Statutes of 1950 are hereby made a part of this system. Eligibility for and payment
15 of permanent benefit increases for members of the plan shall be governed by the laws
16 and rules of this system.

17 B. Notwithstanding any provision of law to the contrary, upon the merger
18 of the Harbor Police Retirement System with this system, the assets of the Harbor
19 Police Retirement System shall become part of the Louisiana State Employees'
20 Retirement System trust and shall be managed in accordance with the laws governing
21 this system.

22 * * *

23 SUBPART G. HARBOR POLICE RETIREMENT SYSTEM PLAN
24 (PORT OF NEW ORLEANS) IN THE LOUISIANA STATE EMPLOYEES'
25 RETIREMENT SYSTEM

26 §3681. Name and date of establishment

27 ~~A.~~ A retirement ~~system~~ plan is hereby established and placed under the
28 management of the Board of Trustees for the purpose of providing retirement
29 allowances and other benefits under the provisions of this Subpart for Commissioned
30 Members of the Harbor Police Department of the Port of New Orleans hired on or

1 (19) "Member" includes any employees, as defined in Paragraph (16) of this
2 Section, included in the membership of this ~~system plan~~ as provided in R.S. 11:3683.

3 (20) "Membership service" means service as an employee while a member
4 of the Harbor Police Retirement System or this system plan.

5 (20.1) "Plan" means the Harbor Police Retirement Plan established in this
6 Subpart and administered as a plan within the Louisiana State Employees'
7 Retirement System pursuant to R.S. 11:631.

8 * * *

9 (26) "Retirement system" or "system" means the ~~Harbor Police Retirement~~
10 ~~System as established in R.S. 11:3681~~ Louisiana State Employees' Retirement
11 System.

12 * * *

13 §3683. Membership

14 The membership of the ~~retirement system plan~~ shall be composed as follows:

15 * * *

16 (3)

17 * * *

18 (b) Any employee who is employed on July 7, 2003, who has retired from
19 service under any retirement system of this state partly or wholly financed by public
20 funds, who is receiving retirement benefits therefrom, and who was prohibited from
21 becoming a member of this system upon his initial employment solely on this basis
22 shall become a member of this ~~system plan~~ from the date of his initial employment
23 provided he meets all other eligibility requirements; however, any such employee
24 may purchase credit for previous service only in compliance with the provisions of
25 R.S. 11:158 relating to actuarial calculation of purchase price.

26 * * *

27 §3684. Creditable service

28 A. Immediately after ~~the establishment of the system~~ August 1, 1971, the
29 board of trustees shall request all information regarding members from the retirement
30 system in which they have previously held membership. Upon verification of the

1 statements of service the board shall issue a prior service certificate certifying to
 2 each member the length of prior service for which credit shall have been allowed on
 3 the basis of these certified statements of service. So long as membership continues
 4 a prior service certificate shall be final and conclusive for retirement purposes as to
 5 such service, provided that any member may, within one year from the date of
 6 issuance or modification of such certificate, request the board of trustees to modify
 7 or correct his prior service certificate.

* * *

9 D. Anything in this Subpart to the contrary notwithstanding, any person who
 10 shall have been an employee as defined in R.S. 11:3682(16) any time subsequent to
 11 September 16, 1940, who shall have entered the armed forces of the United States
 12 during time of war or have been inducted into said forces in time of peace
 13 subsequent to said date, shall be entitled to prior service credit for the period that he
 14 served in the armed forces of the United States, not to exceed four years, provided
 15 he is not granted credit for such service in any other retirement system, and provided
 16 he becomes a member of this system on ~~the date of its establishment~~ August 1, 1971.

* * *

18 F. Any member who has terminated membership in the ~~system plan~~ plan for any
 19 reason and has withdrawn his contributions and who later is reemployed and
 20 becomes a member of the system, shall after eighteen months of additional service
 21 and membership, be eligible to obtain credit for his prior service in the system,
 22 provided that he pay back into the system the amount of the contributions which had
 23 been refunded to him plus compound interest from the date of the refund until the
 24 date of repurchase. The compound interest rate to be used in the computation of the
 25 amount the member must pay back into the system shall be the actuarially assumed
 26 interest rate in the most recent actuarial valuation.

§3685. Benefits

28 A.(1)(a) Any member of this ~~system plan~~ plan who has completed at least twenty
 29 years of creditable service and attained the age of forty-five years, or any member
 30 who has completed at least twenty-five years of creditable service regardless of age,

1 shall be added to this account. Thereafter, the account, if maintained as otherwise
 2 authorized by this Subsection, shall earn interest at a rate compounded, as set
 3 annually by the board of trustees. Such actual rate of interest and manner of
 4 compounding shall be equal to the representative rate and compounding in effect for
 5 the same period of time. If the member does not abide by the terms of the contract
 6 and cease employment at the end of the period of participation as contractually
 7 agreed, payments into the Deferred Retirement Option Plan Account shall
 8 immediately cease and the member shall immediately be paid a lump sum payment
 9 from the member's individual account balance in the Deferred Retirement Option
 10 Plan Account equal to its balance, without the addition of any sum representing
 11 interest, and such member's account shall be terminated. Such member shall not be
 12 considered as retired, but shall remain as a member of the retirement system, in an
 13 inactive status. Only upon actual cessation of employment shall the member be
 14 considered as a retiree and entitled to the receipt of retirement benefits. This account
 15 shall not be subject to any fees or charges of any kind for any purpose, except as
 16 otherwise provided herein.

17 * * *

18 E. The benefits provided in this Section shall not be retroactive to any
 19 period. Further adjustments in benefits may be made each ~~January~~ July first after at
 20 least a full year has elapsed after benefits began, subject to the limitations contained
 21 herein.

22 * * *

23 §3685.2. Computation of retirement benefits

24 * * *

25 B. The annual retirement benefit of any member of the ~~retirement system~~
 26 plan who is not a qualified participant, as defined by Paragraph ~~(2)~~ of ~~Subsection A~~
 27 (A)(2) of this Section, and which is not attributable to the member's after-tax
 28 employee contribution, cannot exceed the lesser of ninety thousand dollars or one
 29 hundred percent of such member's average compensation. For purposes of

1 determining whether a member's benefit exceeds those limitations, the following
2 shall apply:

3 * * *

4 (6) Adjustment for less than ten years of participation or service.

5 (a) If retirement ~~system~~ benefits are payable under this ~~retirement system~~
6 plan to a member who has less than ten years of participation in the ~~retirement~~
7 ~~system plan~~, the dollar limitation referred to in the Introductory Paragraph of this
8 Subsection shall be multiplied by a fraction, the numerator of which is the member's
9 number of years of participation in the ~~system plan~~, not greater than ten, and the
10 denominator of which is ten.

11 (b) If retirement benefits are payable under this ~~retirement system plan~~ to a
12 member who has less than ten years of service with the employer, the percentage
13 limitation referred to in the Introductory Paragraph of this Subsection and the dollar
14 limitation referred to in Paragraph (9) of this Subsection shall be multiplied by a
15 fraction, the numerator of which is the member's number of years of service with the
16 employer, not greater than ten, and the denominator of which is ten.

17 (7) Annual adjustment. The ninety thousand dollar limitation provided in
18 this Subsection shall be adjusted annually to the maximum dollar limits allowable
19 by the secretary of the Treasury of the United States under Section 415(d) of the
20 Internal Revenue Code, such adjustments to take effect on the first day of each fiscal
21 year following December 31, 1987. The adjustment shall not exceed the adjustment
22 in effect for the calendar year in which the fiscal year of the system begins. The
23 adjusted earlier limitation is applicable to employees who are members of the ~~system~~
24 plan and to members who have retired or otherwise terminated their service under
25 the ~~system plan~~ with a nonforfeitable right to accrued benefits, regardless of whether
26 they have actually begun to receive benefits. This system shall be considered
27 specifically to provide for such post-retirement adjustments. For any limitation year
28 beginning after separation from service occurs, the annual adjustment factor is a
29 fraction, the numerator of which is the adjusted dollar limitation for the limitation
30 year in which the compensation limitation is being adjusted and the denominator of

1 which is the adjusted dollar limitation for the limitation year in which the member
2 separated from service. No adjustment shall be permitted with respect to post
3 October 14, 1987, limitations.

4 * * *

5 §3686. Disability retirement

6 * * *

7 B.(1) Upon retirement for disability, a member shall receive a retirement
8 allowance if he has attained the age of fifty-five years; otherwise, he shall receive a
9 disability benefit which shall be computed as follows:

10 (a) In case of total disability of any ~~harbor~~ member resulting from injury
11 received in line of duty, a monthly pension of sixty percent of his average salary
12 shall be paid to the disabled employee.

13 (b) Any member of the ~~system~~ plan who has become disabled or
14 incapacitated because of continued illness or as a result of any injury received, even
15 though not in the line of duty, and who has been a member of the ~~system~~ plan for at
16 least five years but is not eligible for retirement under the provisions of R.S. 11:3685
17 may apply for retirement under the provisions of this Section.

18 (c) Any disability beneficiary of the Harbor Police Retirement ~~System~~ Plan
19 who is receiving disability benefits as a result of an injury sustained in the line of
20 duty, and who, as a result of the disability, is permanently and completely confined
21 to a wheelchair for movement of person, is permanently and legally blind as a result
22 of an injury suffered in the line of duty, or as a result of his injury is an amputee to
23 such a degree as would prevent him from serving as a law enforcement officer, shall
24 be exempt from any provision of this Subpart or any other provision of law which
25 provides for reduction of benefits if the recipient, subsequent to his disability,
26 becomes gainfully employed.

27 * * *

28 D.

29 * * *

1 (2) The Board of Trustees shall adopt all actuarial tables, assumptions, and
 2 rates. The actuary shall make valuations and determinations based on such tables,
 3 assumptions, and rates.

4 (3) At least once in each five-year period, and upon approval of the Board
 5 of Trustees, the actuary shall make an actuarial investigation into the mortality,
 6 service and compensation experience of the members and beneficiaries of the
 7 retirement system. The Board of Trustees shall adopt for the retirement system such
 8 mortality, service, and other tables and actuarial assumptions as shall be deemed
 9 necessary.

10 ~~(4) On the basis of such tables and actuarial assumptions as the Board of~~
 11 ~~Trustees shall adopt, the actuary shall make an annual valuation of the assets and~~
 12 ~~liabilities of the funds of the system created by this Subpart.~~

13 ~~(5)~~(a) Unless different actuarial assumptions are formally adopted and
 14 disclosed, the following assumptions shall be used in determining actuarial
 15 equivalents:

16 (i) Interest shall be compounded annually at the rate of seven percent per
 17 annum.

18 (ii) Annuity rates shall be determined on the basis of the most current
 19 mortality table recommended by the Society of Actuaries for retirement systems.

20 ~~(iii) Effective July 1, 2011, interest for calculating transfers into the Harbor~~
 21 ~~Police Retirement System and for buying back refunded service shall be eight and~~
 22 ~~one-quarter percent per annum.~~

23 (b) The Board of Trustees may authorize the use of interest and mortality
 24 rates in determining the actuarial equivalents which are different from the actuarial
 25 assumptions used for other purposes in this Subpart. Any change in such actuarial
 26 assumptions shall be considered a part of this retirement system plan and shall be
 27 considered an amendment to the provisions of this Section. In order to be effective,
 28 such change must be formally adopted by the Board of Trustees and disclosed to
 29 members of the retirement system plan.

1 §3688.1. Amendments

2 A. An action of the board of trustees with respect to ~~cost-of-living~~
3 ~~adjustments as provided in R.S. 11:3685(D)~~, employee contributions as provided in
4 R.S. 11:154; and actuarial assumptions as provided in R.S. 11:3688(D), shall be
5 considered amendments to the provisions of this ~~retirement system~~ plan.

6 B. No amendment to ~~this~~ the retirement system ~~or plan~~ shall operate to
7 deprive any member of a benefit to which he is already entitled. ~~In the case of any~~
8 ~~merger or consolidation with, or transfer of assets or liabilities to, any other~~
9 ~~retirement system, each member in the retirement system will, if the retirement~~
10 ~~system is then terminated, receive a benefit immediately after the merger,~~
11 ~~consolidation, or transfer equal to or greater than the benefit he would have been~~
12 ~~entitled to receive immediately before the merger, consolidation, or transfer, if the~~
13 ~~retirement system had then terminated.~~

14 ~~C. Upon the termination or partial termination of the retirement system or~~
15 ~~upon the discontinuance of contributions by the employer without formal termination~~
16 ~~of the retirement system, the board of trustees shall reevaluate and redetermine the~~
17 ~~benefit of each member in accordance with law, and the entire benefit of each~~
18 ~~member may be paid or commence to be paid and distributed to such member, or in~~
19 ~~the case of his death before such distribution, to the beneficiary or beneficiaries~~
20 ~~designated by such member, or may be held until payment otherwise due under the~~
21 ~~provisions of the retirement system. A member's right to his benefit is not~~
22 ~~conditioned upon a sufficiency of plan assets in the event of termination.~~

23 * * *

24 §3690. Method of financing

25 A. Employee contributions. (1) The port commission shall make deductions
26 from any salary or wages paid by them to any member of this ~~fund~~ plan equal to nine
27 percent of the compensation paid him in each and every payroll.

28 (2) The deductions provided for herein shall be made notwithstanding that
29 the minimum compensation provided for by law for any member shall be reduced
30 thereby. Every member shall be deemed to consent and agree to the deductions

1 made and provided for herein and shall receipt for his full salary or compensation,
 2 and payment of salary or compensation less said deductions shall be a full and
 3 complete discharge and acquittance of all claims and demands whatsoever for the
 4 services rendered by such person during the period covered by such payment, except
 5 as to the benefits provided under this Subpart. The employer shall certify to the
 6 board of trustees on each and every payroll or in such other manner as the board may
 7 prescribe, the amounts to be deducted; and each of ~~said~~ such amounts shall be
 8 deducted, and when deducted shall be paid into ~~said Annuity Savings Fund~~ the
 9 Employees' Savings Account established in R.S. 11:532, ~~and shall be credited to the~~
 10 ~~individual account of the member from whose compensation said deduction was~~
 11 ~~made.~~

12 B. Employer contributions. ~~(1)~~ The port commission shall annually
 13 contribute an amount equal to the rate ~~per centum determined herein in accordance~~
 14 ~~with Paragraphs (2) and (3) of this Subsection~~ calculated pursuant to R.S. 11:102.
 15 Contributions shall be made monthly based on the same salary or wages used to
 16 calculate the members' contributions.

17 ~~(2) The normal contribution rate shall be the rate per centum of the earned~~
 18 ~~salary of all members obtained by deducting from the total liabilities of the fund the~~
 19 ~~amount of the funds in hand to the credit of the fund and dividing the remainder by~~
 20 ~~one percentum of the present value of the prospective future salaries of all members~~
 21 ~~as computed on the basis of the mortality and service tables adopted by the board of~~
 22 ~~trustees and interest as set forth in R.S. 11:3688(D)(5)(a)(i). The normal rate of~~
 23 ~~contributions shall be determined by the actuary after each valuation.~~

24 ~~(3) The maximum contribution by the employer, Board of Commissioners~~
 25 ~~of the Port of New Orleans, shall not exceed twenty percent of the earned~~
 26 ~~compensation of the members in any one year. There shall be no contribution by~~
 27 ~~employer other than the percentage of earned compensation of the members as~~
 28 ~~provided in this Subpart, and subject to the maximum stated above, even in the event~~
 29 ~~that the payment by employer should not be sufficient, when combined with the~~

1 amount in the fund, to provide the retirement allowances and other benefits payable
2 out of the fund.

3 * * *

4 §3690.2. Unclaimed funds, checks, and property; retention by system

5 Any unclaimed employee contributions, other funds, checks, or any other
6 property held by ~~this~~ the system that could be claimed by a member or prior member,
7 the member's beneficiary, heirs, or estate shall never be presumed abandoned and
8 shall be held continuously by the system for the benefit of such member, prior
9 member, the member's beneficiary, heirs, or estate.

10 §3692. Protection against fraud

11 A. Any persons who shall knowingly make any false statement or shall
12 falsify or permit to be falsified any record or records of ~~this~~ the retirement system in
13 any attempt to defraud such system as a result of such act shall be guilty of a
14 misdemeanor, and on conviction thereof by any court of competent jurisdiction shall
15 be punished by a fine not exceeding five hundred dollars or imprisonment in the
16 parish jail not exceeding twelve months, or both such fine and imprisonment at the
17 discretion of the court.

18 * * *

19 §3695. Direct rollover

20 * * *

21 C. ~~An~~ For the purposes of this Section, an "eligible retirement plan" shall
22 mean any of the following:

23 * * *

24 Section 3. R.S. 11:3682(29), 3685(D), 3688(A) through (C) and (E), 3689(B)
25 through (E), 3690(C) and (D), 3690.1, 3691, 3693, and 3698 are hereby repealed in their
26 entirety.

27 Section 4.(A) The board of trustees of the Louisiana State Employees' Retirement
28 System, the board of commissioners of the Port of New Orleans, and the board of trustees
29 of the Harbor Police Retirement System shall execute a cooperative endeavor agreement for

1 the merger of the Harbor Police Retirement System into the Louisiana State Employees'
2 Retirement System.

3 (B) Any cooperative endeavor agreement executed pursuant to this Section shall
4 include provisions regarding the following:

5 (1) Rights of current participants in the Harbor Police Retirement System:

6 (a) Current participants in the Harbor Police Retirement System, including retirees
7 and active members, shall retain all accrued benefits and shall continue to accrue benefits
8 under the terms of the Harbor Police Retirement System plan, as specified in R.S. 11:3681
9 through 3698, except with respect to cost-of-living adjustments which shall be governed by
10 the laws and rules of the Louisiana State Employees' Retirement System.

11 (b) Active members the Harbor Police Retirement System who have not participated
12 in the Deferred Retirement Option Plan may join the Louisiana State Employees' Retirement
13 System Hazardous Duty Services Plan and exercise the option to transfer prior service credit
14 using the procedures set out in R.S. 11:620.1.

15 (2) Liabilities of the Harbor Police Retirement System:

16 (a) The Port of New Orleans shall agree to pay to the board of trustees of the
17 Louisiana State Employees' Retirement System sums sufficient to fund all of the accrued
18 liability of the Harbor Police Retirement System determined using the Louisiana State
19 Employees' Retirement System actuarial assumptions.

20 (b) The liabilities shall be paid under such terms and conditions as agreed to by the
21 parties and shall include interest at the Louisiana State Employees' Retirement System
22 actuarially assumed rate of return as approved by the Public Retirement Systems' Actuarial
23 Committee.

24 (C) Any cooperative endeavor agreement executed pursuant to this Section shall be
25 provided to the chairman and members of the Public Retirement Systems' Actuarial
26 Committee by October 1, 2014.

27 Section 5. The cost of this Act, if any, shall be funded with additional employer
28 contributions in compliance with Article X, Section 29(F) of the Constitution of Louisiana.

29 Section 6.(A) The provisions of this Section and Sections 1, 4, and 5 of this Act shall
30 become effective on June 30, 2014.

1 (B) The provisions of Sections 2 and 3 of this Act shall become effective July 1,
2 2015, only if the Public Retirement Systems' Actuarial Committee approves the terms of the
3 cooperative endeavor agreement provided for in Section 4 of this Act on or before December
4 31, 2014.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____