

ACT No. 142

Regular Session, 2014

HOUSE BILL NO. 23

BY REPRESENTATIVE PEARSON

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AN ACT

To amend and reenact R.S. 11:1789.1(2), 1789.4(1), 1808.4(2), 1841(B), 1842, 1861, and 1862(B)(introductory paragraph) and to repeal R.S. 11:1787, 1807, 1862(D), and 1863, relative to the Municipal Employees' Retirement System; to provide relative to expenses of the system; to provide relative to funds of the system; to provide relative to employees first hired on or after January 1, 2013; to provide technical changes; and to provide for related matters.

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

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:1789.1(2), 1789.4(1), 1808.4(2), 1841(B), 1842, 1861, and 1862(B)(introductory paragraph) are hereby amended and reenacted to read as follows:

§1789.1. Application; definitions

Terms not specifically defined in this Section shall have the meanings provided in R.S. 11:1732 unless a different meaning is clearly required by the context. For purposes of Plan A Tier 2:

* * *

(2) "Member" shall include persons who would be eligible for system membership pursuant to R.S. 11:1751 but whose first employment making them eligible for membership in ~~one of the state systems~~ this system occurred on or after January 1, 2013.

* * *

1 are paid to the retirement system for supplemental marshals' earnings be less than
2 seventy-two months, then the actual period on which contributions were paid shall
3 be used to determine average supplemental marshals' earnings used to compute this
4 benefit.

5 * * *

6 §1841. Investment of funds by board of trustees

7 * * *

8 B. The board of trustees annually shall allow regular interest on the amount
9 in the fund at the end of the preceding year in each of the funds with the exception
10 of ~~the expense fund~~ and the annuity savings fund. The amounts so allowed shall be
11 due and payable to ~~said~~ the funds and shall be annually credited thereto by the board
12 of trustees from interest and other earnings on the ~~moneys~~ monies of the retirement
13 system. Any additional amount required to meet the interest on the fund of the
14 system shall be paid from the Pension Accumulation Funds, and any excess of
15 earnings over such amount required shall be paid to the pension accumulation funds.
16 Regular interest shall mean such percentage rate to be compounded annually as shall
17 be determined by the board of trustees on the basis of the interest earnings of the
18 system for the preceding year and of the probable earnings to be made, in the
19 judgment of the board, during the immediate future, such rate to be limited to a
20 maximum of six percent.

21 §1842. Board of trustees as custodian of funds

22 The board of trustees shall be the custodian of the several funds. All expense
23 vouchers and pension payrolls shall be certified by the administrative director. The
24 administrative director shall furnish the board of trustees a surety bond in a company
25 authorized to do business in Louisiana and in such an amount as shall be required by
26 the board, the premium to be paid from the ~~expense~~ expenses of the fund.

27 * * *

28 §1861. General

29 All of the assets of the retirement system shall be credited according to the
30 purpose for which they are held to one of ~~seven~~ eight funds, namely the annuity
31 savings fund A, the annuity savings fund B, the annuity reserve fund A, the annuity
32 reserve fund B, the pension accumulation fund A, the pension accumulation fund B,

1 ~~and the expense fund~~ the Deferred Retirement Option Plan fund A, and the Deferred
 2 Retirement Option Plan fund B. Expenses for the entire system shall be paid from
 3 the pension accumulation fund from Plan A. Annually, a transfer of funds from the
 4 pension accumulation fund for Plan B shall be made to reimburse Plan A for the pro
 5 rata expenses attributable to Plan B.

6 §1862. Funds to which assets credited

7 * * *

8 B. The pension accumulation funds A and B shall be the funds to which shall
 9 be credited all payments to the system, exclusive of payments to the annuity savings
 10 ~~or expense funds~~ fund and including contributions from employers and taxes from
 11 sheriffs and ex officio tax collectors on behalf of members of Plans A and B
 12 respectively. From each of these funds shall be paid the amounts required to be
 13 transferred to the annuity reserve funds as prescribed by ~~C, below~~ Subsection C of
 14 this Section.

15 * * *

16 Section 2. R.S. 11:1787, 1807, 1862(D), and 1863 are hereby repealed in their
17 entirety.

18 Section 3. This Act shall become effective upon signature by the governor or, if not
 19 signed by the governor, upon expiration of the time for bills to become law without signature
 20 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 21 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 22 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____