

Regular Session, 2013

HOUSE BILL NO. 64

BY REPRESENTATIVE ARNOLD

RETIREMENT/LOCAL: Provides for payment of the unfunded accrued liability of the Firefighters' Pension and Relief Fund in the city of New Orleans by application of increased employee contributions

1 AN ACT

2 To amend and reenact R.S. 11:3363(B), relative to the Firefighters' Pension and Relief Fund
3 in the city of New Orleans; to provide for schedules of employee contributions; to
4 provide relative to payment of the unfunded liability of the system; and to provide
5 for related matters.

6 Notice of intention to introduce this Act has been published
7 as provided by Article III, Section 13 and Article X, Section
8 29(C) of the Constitution of Louisiana.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:3363(B) is hereby amended and reenacted to read as follows:

11 §3363. Powers of board; assessment of members; determination of applications for
12 benefits

13 * * *

14 B.(1) Prior to January 1, 2014, ~~The~~ the board shall assess each member of
15 the fire department not less than six percent of his salary, to be deducted monthly,
16 the same to be placed by the secretary-treasurer to the credit of the fund subject to
17 the orders of the board. Any member who has accrued twenty years of service shall
18 no longer have the above salary deductions collected monthly out of his salary nor
19 shall he be liable therefor.

20 (2)(a) Beginning on January 1, 2014, the board shall assess each member of
21 the fire department a percentage of his salary, to be deducted monthly, the same to

1 be placed by the secretary treasurer to the credit of the fund subject to the orders of
2 the board. However, the portion of this assessment that is in excess of that which
3 would have been determined pursuant to Paragraph (1) of this Subsection shall be
4 applied solely to reduce the system's unfunded actuarial liability in a manner
5 determined by the board with the advice of the actuary.

6 (b) The percentage of salary assessed for members with less than twenty
7 years of service as of January 1, 2014, shall be as follows:

8	<u>January 1, 2014, through December 31, 2014</u>	<u>7.0%</u>
9	<u>January 1, 2015, through December 31, 2015</u>	<u>8.0%</u>
10	<u>January 1, 2016, through December 31, 2016</u>	<u>9.0%</u>
11	<u>January 1, 2017, and thereafter</u>	<u>10.0%</u>

12 (c) The percentage of salary assessed for members with at least twenty years
13 of service as of January 1, 2014, shall be as follows:

14	<u>January 1, 2014, through December 31, 2014</u>	<u>2.0%</u>
15	<u>January 1, 2015, through December 31, 2015</u>	<u>4.0%</u>
16	<u>January 1, 2016, through December 31, 2016</u>	<u>6.0%</u>
17	<u>January 1, 2017, through December 31, 2017</u>	<u>8.0%</u>
18	<u>January 2, 2018, and thereafter</u>	<u>10.0%</u>

19 (3) Notwithstanding any provision of Paragraph (2) of this Subsection to the
20 contrary, assessments deducted pursuant to Paragraph (2) of this Subsection shall be
21 reduced by the following percentages of payroll depending upon the amount of the
22 total required contribution for the fiscal year expressed as a percentage of payroll
23 after applying all required tax contributions:

24	<u>Total Net Required Contribution</u>	<u>Reduction in Assessment</u>
25	<u>25.00% or below</u>	<u>4.00%</u>
26	<u>25.01% to 26.50%</u>	<u>3.50%</u>
27	<u>26.51% to 28.00%</u>	<u>3.00%</u>
28	<u>28.01% to 29.50%</u>	<u>2.50%</u>
29	<u>29.51% to 31.00%</u>	<u>2.00%</u>

1	<u>31.01% to 32.50%</u>	<u>1.50%</u>
2	<u>32.51% to 34.00%</u>	<u>1.00%</u>
3	<u>34.01% to 35.50%</u>	<u>0.50%</u>
4	<u>35.51% or above</u>	<u>0.00%</u>

5 * * *

6 Section 2. This Act shall become effective upon signature by the governor or, if not
7 signed by the governor, upon expiration of the time for bills to become law without signature
8 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
9 vetoed by the governor and subsequently approved by the legislature, this Act shall become
10 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Arnold

HB No. 64

Abstract: Provides for increased levels of employee contributions for members of the Firefighters' Pension and Relief Fund in the city of New Orleans and for application of such increased contributions to payment of the unfunded accrued liability of the system.

Present law (R.S. 11:3361 et seq.) creates the Firefighters' Pension and Relief Fund in the city of New Orleans. Proposed law retains present law.

Present law (R.S. 11:3363) provides for assessments by the board against members' salaries as employee contributions to the system. Further provides that members with less than 20 years of membership shall have an amount up to 6% assessed against their salaries as contributions. Further provides that members with 20 or more years of membership shall not have assessments against their salaries. Proposed law makes present law effective only prior to Jan. 1, 2014.

Proposed law provides for increased assessments for all members on and after Jan. 1, 2014, regardless of years of service according to the following schedule:

- (1) Members with less than 20 years of membership as of Jan. 1, 2014:
 - (a) From Jan. 1, 2014, through Dec. 31, 2014: 7%.
 - (b) From Jan. 1, 2015, through Dec. 31, 2015: 8%.
 - (c) From Jan. 1, 2016, through Dec. 31, 2016: 9%.
 - (d) After Jan. 1, 2017: 10%.
- (2) Members with 20 or more years of membership as of Jan. 1, 2014:
 - (a) From Jan. 1, 2014, through Dec. 31, 2014: 2%.
 - (b) From Jan. 1, 2015, through Dec. 31, 2015: 4%.
 - (c) From Jan. 1, 2016, through Dec. 31, 2016: 6%.

- (d) From Jan. 1, 2017, through Dec. 31, 2017: 8%.
- (e) After Jan. 1, 2018: 10%.

Further provides that amounts collected in excess of present law shall be dedicated to payment of the unfunded actuarial liability of the system.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 11:3363(B))