SLS 10RS-180 REENGROSSED

Regular Session, 2010

SENATE BILL NO. 13

1

BY SENATOR B. GAUTREAUX

RETIREMENT BENEFITS. Allows garnishment of Louisiana public retirement or pension system, plan, or fund benefits of an elected official or public employee to pay fine or restitution, or any costs of incarceration, probation, or parole, imposed for a felony associated with his office. (7/1/10)

AN ACT

2 To amend and reenact R.S. 11:292, 570, 930, 951.3, 952.3, 1378, 1905, 3014, 3051, 3111, 3140, 3198, 3229, 3321(A), 3345, 3389, 3408, 3440, 3470, 3513, 3608(A), 3691, 3 3770, 3800, and 3823, and R.S. 13:3881(D)(1), relative to garnishment or seizure of 4 5 pension or retirement benefits; to provide for garnishment or seizure of benefits from public retirement or pension systems, plans, or funds; to provide relative to the 7 applicability of certain court orders to such benefits; to provide for garnishment or 8 seizure of such benefits to pay any fine or restitution, or any costs of incarceration, 9 probation, or parole, ordered for certain felony convictions associated with service 10 as an elected official or public employee; to provide for an effective date; and to 11 provide for related matters. Notice of intention to introduce this Act has been published. 12 13 Be it enacted by the Legislature of Louisiana: Section 1. R.S. 11:292, 570, 930, 951.3, 952.3, 1378, 1905, 3014, 3051, 3111, 3140, 14 3198, 3229, 3321(A), 3345, 3389, 3408, 3440, 3470, 3513, 3608(A), 3691, 3770, 3800, and 15 3823 are hereby amended and reenacted to read as follows: 16 §292. Seizure for child support; garnishment or seizure related to felony 17

1	convictions
---	--------------------

<u>A.</u> Notwithstanding any other provision of law to the contrary, any
retirement allowance, benefit, or refund of accumulated contributions paid to any
member, former member, or retiree under the provisions of any public retirement
system, or the portion of a retirement allowance, benefit, or refund of accumulated
contributions paid to a spouse or former spouse under the provisions of R.S. 11:291,
shall be subject to garnishment or court-ordered assignment to pay child support.

B.(1) Notwithstanding any other provision of law to the contrary, any pension, retirement allowance, or benefit, or any refund of accumulated contributions payable to any member, former member, or retiree under the provisions of any public pension or retirement system, plan, or fund shall be subject to garnishment under a writ of fieri facias to pay any court-ordered restitution or fine, or any costs of incarceration, probation, or parole, imposed on such member, former member, or retiree as a result of a conviction of or a plea of guilty or nolo contendere to the commission of a felony for misconduct associated with such person's service as an elected official or public employee for which credit in the system, plan, or fund was earned or accrued.

- (2) Notwithstanding any other provision of law to the contrary, a garnishment authorized pursuant to this Subsection shall not impinge on the community property interest of a spouse or former spouse not subject to the garnishment.
- (3) Notwithstanding any other provision of law to the contrary, a garnishment authorized pursuant to this Subsection may be continuing in nature as necessary to pay the court-ordered restitution or fine in full.

* * *

§570. Exemption from execution

Any annuity, retirement allowance or benefit, or refund of contributions, or any optional benefit or any other benefit paid or payable to any person under the provisions of this Subpart is exempt from state or municipal tax, and is exempt from

1 levy and sale, garnishment, attachment or any other process whatsoever, except as provided in R.S. 11:292, and is unassignable. 2 3 §930. Exemption from execution 4 Annuity contracts issued under the optional retirement plan and all rights 5 thereto of a participant in the optional retirement plan shall be exempt from any state 6 7 or municipal tax, assessment for the insolvency of any life insurance company, any 8 levy or sale, garnishment, attachment, or any process whatsoever, except as 9 provided in R.S. 11:292, and shall be unassignable except as otherwise specifically 10 provided in the annuity contract. 11 12 §951.3. Pensions, benefits, etc., exemption from seizure 13 The right of a person to a pension, an annuity, or a retirement allowance, to the return of contributions, the pension, annuity or retirement allowance itself, or any 14 other right accrued or accruing to any person under the provisions of this Part and 15 the money in the various accounts created by this Part shall not be subject to 16 execution, garnishment, attachment or any other process whatsoever, except as 17 provided in R.S. 11:292, and shall be unassignable except as specifically provided 18 19 for in this Part. 20 21 §952.3. Exemption of pension and other rights from levy and other processes The right of a person to a retirement allowance, or to the return of 22 contributions; the retirement allowance itself; any optional benefit or any other right 23

The right of a person to a retirement allowance, or to the return of contributions; the retirement allowance itself; any optional benefit or any other right accrued or accruing to any person under the provisions of this Part; and the moneys in the funds created by this Part are exempt from any state or municipal tax, and exempt from levy and sale, garnishment, attachment, or any other process whatsoever, **except as provided in R.S. 11:292**, and shall be unassignable except as otherwise specifically provided in this Part.

* * *

29

24

25

26

27

28

§1378. Retirement pay or pension; exemption from taxes and execution

Any retirement pay or pension paid to any judge or the surviving spouse of any judge under the unfunded judicial retirement plan is exempt from any state or municipal income tax, and is exempt from levy and sale, garnishment, attachment or any other process whatsoever, except as provided in R.S. 11:292.

* * *

§1905. Exemption from execution

The following items are hereby exempt from any state or municipal tax and from levy and sale, garnishment, attachment, or any other process whatsoever as provided in this Chapter, except as provided in R.S. 42:720.21: 11:292: the right of a person to a pension, an annuity, or a retirement allowance, or to the return of contributions, the pension, annuity, or retirement allowance itself, any optional benefit or any other right accrued or accruing to any person, and the moneys in various funds created by this Chapter. These enumerated items shall be unassignable, except as in this Chapter specifically otherwise provided. Benefits paid under this Chapter shall be exempt from state income tax. If the contributions of an employee are paid by an employer in order to secure credit for service, these funds may be assigned to the employer until such time as the employee has repaid contributions so paid or the employer has released the contributions so paid by written notice to the board.

* * *

§3014. Exemptions from execution

The right of a person to an annuity, a retirement allowance, or benefit, or to the return of contributions, or to any optional benefit or any other right accrued or accruing to any person under the provisions of this Part, and the monies in the system created by this Part, is <u>are</u> hereby exempt from any state or municipal tax, and exempt from levy and sale, garnishment, attachment, or any other process whatsoever, <u>except as provided in R.S. 11:292</u>, and shall be unassignable except as in this Part specifically otherwise provided.

1 * * *

§3051. Assignment prohibited

The right of a person to an annuity, a pension or any other benefit or refund, or any right accrued or accruing to any member or beneficiary under the provisions of this system, and the monies belonging to the system, shall be unassignable and shall not be subject to execution, garnishment, attachment, the operation of bankruptcy, or the insolvency law or any other process of law except as specifically provided by the provisions of this system <u>and in R.S. 11:292</u>, and except that the City shall have the right to set off funds for any claim arising from embezzlement by or fraud of a member.

* * *

§3111. Exemption from seizure and attachment

No Except as provided in R.S. 11:292, no portion of the said Firemen's Pension and Relief Fund shall, before or after its order for distribution is issued by the said Board of Trustees to the person or persons entitled thereto under the provisions of this Part, be held, seized, or levied upon, by virtue of any attachment, garnishment, execution, or order or decree, or any other process whatsoever, issued out of or by any court, for the payment or satisfaction, in whole or in part, of any debt, damage, claim, judgment, or decree against any beneficiary of such Fund; but shall be exempt therefrom. That the said The Fund shall be kept, held, and distributed for no purposes other than those provided for in this Part.

* * *

§3140. Exemption from seizure and attachment

No Except as provided in R.S. 11:292, no portion of the Firemen's Pension and Relief Fund shall, before or after its order for distribution is issued by the board of trustees to the person or persons entitled thereto under the provisions of this Part, be held, seized, taken, subjected to, detained or levied upon, by virtue of any attachment, garnishment, execution, injunction, writ, order, decree or any other process whatsoever, issued out of or by any court of this state, for the payment or

satisfaction, in whole or in part, of any debt, damage, demand, claim, judgment or decree against any beneficiary of such Fund; but shall be exempt therefrom. The Fund shall be kept, held, and distributed solely for the purposes named in this Part and for no other purposes whatsoever.

* * *

§3198. Exemption from seizure and attachment

That Except as provided in R.S. 11:292, no portion of the said Firemen's Pension and Relief Fund shall, before or after its order for distribution is issued by the said board of trustees to the person or persons entitled thereto under the provisions of this Part, be held, seized, taken, subjected to, detained, or levied upon, by virtue of any attachment, garnishment, execution, injunction, writ, order, decree, or any other process whatsoever, issued out of or by any court of this state, for the payment or satisfaction, in whole or in part, for any debt, damage, demand, claim, judgment, or decree, against any beneficiary of such fund; but shall be exempt therefrom. That said The fund shall be sacredly kept, held, and distributed for the purposes named in this Part, and for no other purposes whatsoever.

* * *

§3229. Exemption from seizure and attachment

No Except as provided in R.S. 11:292, no portion of the Firemen's Pension and Relief Fund shall, before or after its order for distribution is issued by the board of trustees to the person or persons entitled thereto under the provisions of this Part, be held, seized, taken, subjected to, detained, or levied upon, by virtue of any attachment, garnishment, execution, injunction, writ, order, decree, or any other process whatsoever, issued out of or by any court of this state, for the payment or satisfaction, in whole or in part, of any debts, damage, demand, claim, judgment or decree against any beneficiary of such fund, but shall be exempt therefrom. The fund shall be kept, held, and distributed solely for the purposes named in this Part and for no other purposes whatsoever.

* * *

§3321. Exemption from seizure and attachment

A. No Except as provided in R.S. 11:292, no portion of the Firemen's Pension and Relief Fund shall, before or after any order for distribution is issued by the said board of directors to the person or persons entitled thereto under the provisions of this Part, be held, seized, or levied upon, by virtue of any attachment, garnishment, execution, or order or decree, or any other process whatsoever issued out of; or by any court, for the payment or satisfaction, in whole or in part, of any debt, damage, claim, judgment, or decree against any beneficiary of said fund; but shall be exempt therefrom. That the said The fund shall be kept, held, and distributed for no purpose other than those provided for in this Part.

* * *

§3345. Exemption from seizure

No Except as provided in R.S. 11:292, no portion of the pension fund shall, before or after its order for distribution is issued by the board of trustees to the person or persons entitled thereto under the provisions of this Part, be held, seized, taken, subjected to, detained, or levied upon by virtue of any attachment, garnishment, execution, writ, order, injunction, decree, or any other process whatsoever, issued out of or by any court of the state of Louisiana, for the payment, or any other decree against any beneficiary of this fund, but shall be exempt therefrom.

* * *

§3389. Exemption of pension and other rights from levy and other process

The right of a person to a pension, an annuity, a retirement allowance, or to the return of contributions; the pension, annuity, or retirement allowance itself; any optional benefit or any other right accrued or accruing to any person under the provisions of this Part; and the moneys in the various funds created by this Part are exempt from any state or municipal tax; and all state income tax, and exempt from levy and sale, garnishment, attachment, or any other process whatsoever, except as

provided in R.S. 11:292, and shall be unassignable except as otherwise specifically provided in this Part. The fund shall be sacredly held, kept, and secured and distributed for the purpose of pensioning the persons named in this Part and for the payment of death benefits and for no other purpose whatsoever.

* * *

§3408. Exemption from seizure and attachment

No Except as provided in R.S. 11:292, no portion of the fireman's pension and relief fund, before or after its order for distribution is issued by the board of trustees to the person or persons entitled thereto under the provisions of this Part, shall be held, seized, taken, subjected to, detained, or levied upon, by virtue of any attachment, garnishment, execution, injunction, writ, order, decree, or any other process whatsoever, issued out of or by any court of this state, for the payment or satisfaction, in whole or in part, of any debt, damage, demand, claim, judgment, or decree against any beneficiary of such fund, but shall be exempt therefrom. The fund shall be kept, held, and distributed solely for the purposes named in this Part and for no other purposes whatsoever.

* * *

§3440. Exemption from seizure and attachment

No Except as provided in R.S. 11:292, no portion of the said Firemen's Pension and Relief Fund shall, before or after its order for distribution is issued by the said Board of Trustees to the person or persons entitled thereto under the provisions of this Part, be held, seized, taken, subjected to, detained, or levied upon, by virtue of any attachment, garnishment, execution, injunction, writ, order, decree, or any other process whatsoever, issued out of or by any court of this state, for the payment or satisfaction, in whole or in part, of any debt, damage, demand, claim, judgment, or decree, against any beneficiary of such fund; but shall be exempt therefrom. The Fund shall be sacredly kept, held, and distributed for the purposes named in this Part, and for no other purposes whatsoever.

* * *

§3470. Exemption from seizure and attachment

That Except as provided in R.S. 11:292, no portion of the said Firemen's Pension and Relief Fund shall, before or after its order for distribution is issued by the said board of trustees to the person or persons entitled thereto under the provisions of this Part, be held, seized, taken, subjected to, detained, or levied upon, by virtue of any attachment, garnishment, execution, injunction, writ, order, decree, or any other process whatsoever, issued out of or by any court of this state, for the payment or satisfaction, in whole or in part, of any debt, damage, demand, claim, judgment, or decree against any beneficiary of such fund; but shall be exempt therefrom. That said The fund shall be sacredly kept, held, and distributed for the purposes named in this Part, and for no other purposes whatsoever.

* * *

§3513. Fund not subject to execution

The Except as provided in R.S. 11:292, the fund, or any portion thereof, before or after an order for its distribution is issued, shall be exempt from assignment or pledge by a beneficiary of the fund or from seizure by virtue of any judicial process issued against the beneficiary.

* * *

§3608. Attachment of fund; exemption from state income tax

A. No Except as provided in R.S. 11:292, no portion of the fund shall before or after the order for distribution is issued by the board of directors to the person or persons entitled thereto under the provisions of this Subpart, be held, seized, or levied upon, by virtue of any attachment, garnishment, execution, or order or decree, or any other process whatsoever, issued out of, or by, any court, for the payment or satisfaction, in whole or in part, of any debt, damage, claim, judgment, or decree against any beneficiary of such fund, but shall be exempt therefrom. The fund shall be kept, held, and distributed for no purpose other than those provided for in this Subpart. No present or future revision or amendments to the fund shall have the effect of reducing any benefit now in existence.

1 * * *

§3691. Exemption from execution

The right of a person to a pension, an annuity, or a retirement allowance, to the return of contributions, the pension, annuity, or retirement allowance itself, any optional benefit or any other right accrued or accruing to any person under the provisions of this Subpart, and the moneys in the various funds created by this Subpart, are hereby exempt from any state or municipal tax, and exempt from levy and sale, garnishment, attachment, or any other process whatsoever, except as provided in R.S. 11:292, and shall be unassignable except as in this Subpart specifically otherwise provided.

* * *

§3770. Exemption from seizure and attachment

No Except as provided in R.S. 11:292, no portion of the said Bus Drivers' Pension and Relief Fund shall, before or after its order for distribution is issued by the said Board of Trustees to the person or persons entitled thereto under the provisions of this Part, be held, seized, taken, subjected to, detained, or levied upon by virtue of any attachment, garnishment, execution, injunction, writ, order, decree, of or any other process whatsoever, issued out of or by any Court court of this State state for the payment or satisfaction, in whole or in part, of any debt, damage, demand, claim, judgment, or decree, against any beneficiary of such fund, but shall be exempt therefrom. That said The Fund shall be sacredly kept, held, and distributed for the purposes named in this Part, and for no other purposes whatsoever.

* * *

§3800. Exemption from seizure and attachment

That no Except as provided in R.S. 11:292, no portion of the said Electrical Workers' Pension and Relief Fund shall, before or after its order for distribution is issued by the said Board of Trustees to the person or persons entitled thereto under the provisions of this Part, be held, seized, taken, subjected to, detained, or levied

28

29

1 upon by virtue of any attachment, garnishment, execution, injunction, writ, order, 2 decree, or any other process whatsoever, issued out of, or by, any Court court of this State state for the payment or satisfaction, in whole or in part, of any debt, damage, 3 demand, claim, judgment, or decree, against any beneficiary of such Fund, but shall 4 5 be exempt therefrom. That said The Fund shall be sacredly kept, held, and distributed for the purposes named in this Part, and for no other purposes 6 7 whatsoever. 8 9 §3823. Exemption from execution 10 The right of a person to a pension, an annuity, or a retirement allowance or benefit; or to the return of contributions; the pension, annuity, or retirement 11 12 allowance itself; to any optional benefit; or any other right accrued or accruing to any 13 person under the provisions of this Part or to any person with such rights in the Employees' Retirement System of the city of New Orleans are is exempt from any 14 state or municipal tax and, are except as provided in R.S. 11:292, exempt from levy 15 and sale, garnishment, attachment, or any other process whatsoever. 16 17 Section 2. R.S. 13:3881(D)(1) is hereby amended and reenacted to read as follows: 18 19 §3881. General exemptions from seizure 20 21 D.(1) Except as provided in Paragraph (2) of this Subsection and in R.S. 11:292, the following shall be exempt from all liability for any debt except alimony 22 and child support: all pensions, all tax-deferred arrangements, annuity contracts, and 23 all proceeds of and payments under all tax-deferred arrangements and annuity 24 contracts, as defined in Paragraph (3) of this Subsection. 25 26 27 Section 3. This Act shall become effective on July 1, 2010; if vetoed by the governor

and subsequently approved by the legislature, this Act shall become effective on July 1,

2010, or on the day following such approval by the legislature, whichever is later.

The original instrument was prepared by Lauren Bailey. The following digest, which does not constitute a part of the legislative instrument, was prepared by Linda Nugent.

DIGEST

<u>Present law</u> (R.S. 13:3881(A) and R.S. 20:33) provides for a general exemption from seizure under any writ, mandate, or process whatsoever for certain income or property of a debtor. Specifies that, except as provided in <u>present law</u>, the following shall be exempt from all liability for any debt except alimony and child support:

- (1) All pensions.
- (2) All tax-deferred arrangements.
- (3) Annuity contracts.
- (4) All proceeds of and payments under all tax-deferred arrangements and annuity contracts.

<u>Proposed law</u> retains <u>present law</u>. Provides that the pension or retirement benefit of an elected official or public employee may be garnished or seized to pay any fine or restitution or any costs of incarceration, probation, or parole, imposed as a penalty for conviction of a felony associated with his office. Further provides that such garnishment shall not impinge on the community property interest of a spouse or former spouse not subject to the garnishment.

<u>Present law</u> (R.S. 11:291) provides for protection of a spouse's community property interest in the public retirement or pension benefit of a member or retiree of a state or statewide retirement system.

The state public retirement systems are:

- (1) The Louisiana State Employees' Retirement System (LASERS);
- (2) The Teachers' Retirement System of Louisiana (Teachers');
- (3) The Louisiana School Employees' Retirement System (LSERS); and
- (4) The State Police Pension and Retirement System (SPPRS).

The statewide public retirement systems are:

- (1) The Assessors' Retirement Fund (LARF);
- (2) The Clerks of Court Retirement and Relief Fund (Clerks);
- (3) The District Attorneys' Retirement System (DARS);
- (4) The Firefighters' Retirement System (FRS);
- (5) The Municipal Employees' Retirement System of Louisiana (MERS);
- (6) The Municipal Police Employees' Retirement System (MPERS);
- (7) The Parochial Employees' Retirement System of Louisiana (PERS);

SLS 10RS-180

SB NO. 13

- (8) The Registrars of Voters Employees' Retirement System (ROVERS); and
- (9) The Sheriffs' Pension and Relief Fund (Sheriffs').

<u>Proposed law</u> retains <u>present law</u>.

<u>Present law</u> (R.S. 11:292) provides that notwithstanding any other provision of <u>present law</u> to the contrary, any retirement allowance, benefit, or refund of accumulated contributions paid to any member, former member, or retiree under the provisions of any public retirement system, or the portion of a retirement allowance, benefit, or refund of accumulated contributions paid to a spouse or former spouse under the provisions of <u>present law</u> (R.S. 11:291) shall be subject to garnishment or court-ordered assignment to pay child support.

<u>Proposed law</u> retains <u>present law</u>.

Various provisions of <u>present law</u> specific to particular public retirement or pension systems, plans, or funds provide that any annuity, retirement allowance or benefit, or refund of contributions, or any optional benefit or any other benefit paid or payable to any person under the provisions of <u>present law</u> is exempt from any state or municipal tax and is exempt from levy and sale, garnishment, attachment, or any other process whatsoever, and is unassignable.

<u>Proposed law</u> retains <u>present law</u>.

Some provisions of <u>present law</u> regarding such exemptions specify that garnishment or assignment pursuant to <u>present law</u> (R.S. 11:292) is an exception to the provisions exempting retirement or pension benefits from execution. Provide that benefits may be garnished or assigned pursuant to <u>present law</u>.

<u>Proposed law</u> retains <u>present law</u>. These provisions apply to LASERS, Teachers', LSERS, SPPRS, LARF, Clerks, DARS, MERS, the Employees' Retirement System of the city of Baton Rouge and the parish of East Baton Rouge, the Employees' Retirement System of the city of Shreveport, ROVERS, Sheriffs', MPERS, FRS, the Firemen's Pension and Relief Fund for the City of Bossier City, and the Policemen's Pension and Relief Fund for the city of Bossier City.

Other provisions of <u>present law</u> exempting retirement or pension benefits from garnishment or execution do not contain a specific reference to the exception for seizure for child support in <u>present law</u> (R.S. 11:292), although such exception applies to the benefits. These provisions apply to judges and court officers; members of the Teachers' Optional Retirement Plan; Orleans Parish school employees; LSU Retirement System members; employees of the city of Alexandria and of the city of Bogalusa; firefighters in the city of Alexandria, the consolidated fire districts of Bastrop, the city of Bossier City, the city of Houma, the city of Lake Charles, the city of Monroe, the city of New Orleans, Fire Protection District Number One for the parish of Ouachita, the city of Shreveport, and the city of West Monroe; police officers in any municipality having a population between 7,500 and 250,000 and in the city of Lafayette; and employees of the New Orleans Sewerage and Water Board.

<u>Proposed law</u> retains <u>present law</u> and adds specific reference to the applicable exception for child support contained in <u>present law</u>.

<u>Proposed law</u> provides that the pension or retirement benefit of a member, former member, or retiree payable from any public retirement or pension system, plan, or fund may be subject to seizure or garnishment for payment of any restitution or fine, or any costs of incarceration, probation, or parole, imposed upon conviction of or a plea of guilty or nolo contendere to a felony associated with the service as an elected official or public employee for which such retirement benefit was earned or accrued.

<u>Proposed law</u> provides that such garnishment shall not impinge on the community property interest of a spouse or former spouse not subject to the garnishment.

<u>Proposed law</u> specifies that, notwithstanding any provision of law to the contrary, a garnishment authorized pursuant to <u>proposed law</u> may be continuing in nature as necessary to pay the court-ordered restitution or fine in full.

Effective July 1, 2010.

(Amends R.S. 11: 292, 570, 930, 951.3, 952.3, 1378, 1905, 3014, 3051, 3111, 3140, 3198, 3229, 3321(A), 3345, 3389, 3408, 3440, 3470, 3513, 3608(A), 3691, 3770, 3800, and 3823 and R.S. 13:3881(D)(1))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill.

- 1. Benefit may be garnished also for costs of incarceration, probation, or parole.
- 2. Allows garnishment of retirement benefit of public employee to pay fine, restitution, or costs of incarceration, probation, or parole.
- 3. Provides that a garnishment shall not impinge on the community property interest of a spouse or former spouse not subject to the garnishment.
- 4. Technical amendments.