

SENATE BILL NO. 49

BY SENATOR GUILLORY

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AN ACT

To amend and reenact R.S. 11:1732(22) and (23) and 1763(A) and to enact R.S. 11:1789 through 1789.5 and R.S. 11:1808 through 1808.5, relative to the Municipal Employees' Retirement System; to provide relative to membership, employee contributions, benefit calculation, survivor benefits, disability benefits, and retirement eligibility for future system members; to provide an effective date; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:1732(22) and (23) and 1763(A) are hereby amended and reenacted and R.S. 11:1789 through 1789.5 and R.S. 11:1808 through 1808.5 are hereby enacted to read as follows:

§1732. Definitions

The following words and phrases, as used in this Chapter, unless a different meaning is plainly required by the context, shall have the following meaning:

* * *

(22) "Plan A" means the revised plan to replace a combination of the regular and supplemental plans, to be effective October 1, 1978, as outlined in Part III **of this**

1 Chapter. "Plan A" shall be comprised of two subplans, Tier 1 for members
 2 hired on or before December 31, 2012 and Tier 2, for members hired on or after
 3 January 1, 2013.

4 (23) "Plan B" means the revised plan to replace the regular plan, to be
 5 effective October 1, 1978, as outlined in Part IV of this Chapter. "Plan B" shall
 6 be comprised of two subplans, Tier 1 for members hired on or before December
 7 31, 2012 and Tier 2, for members hired on or after January 1, 2013.

8 * * *

9 §1763. Deferred Retirement Option Plan

10 A. In lieu of terminating employment and accepting a service retirement
 11 allowance pursuant to R.S. 11:1781 and 1782, or R.S. 11:1801 and 1802, or R.S.
 12 11:1789.3 and 1789.4, or 1808.3 and 1808.4, any member of Plan A who is eligible
 13 for a normal retirement pursuant to R.S. 11:1781 or 1789.3(A), (B), or (C), or any
 14 member of Plan B who is eligible for a normal retirement pursuant to R.S. 11:1801
 15 or 1808.3(A), (B), or (C), may elect to participate in the Deferred Retirement Option
 16 Plan and defer the receipt of benefits in accordance with the provisions of this
 17 Section.

18 * * *

19 §1789. Creation; application

20 There is hereby created a subplan within Plan A of this system for
 21 persons who would otherwise be eligible for membership in the Municipal
 22 Employees' Retirement System of Louisiana Plan A but whose first employment
 23 making them eligible for membership in this system occurred on or after
 24 January 1, 2013. Such subplan shall be known as the "MERS Plan A Tier 2".
 25 Any other provisions of this Chapter or any other laws to the contrary
 26 notwithstanding, the retirement of such persons shall be governed by the
 27 provisions of Plan A Tier 2; however, the provisions of this Chapter applicable
 28 to Plan A Tier 1 shall apply to members of Tier 2 for any matter on which this
 29 Subpart is silent.

30 §1789.1. Application; definitions

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

4 (1) "Final compensation" shall mean the average monthly earnings
 5 during the highest sixty consecutive months, or joined months if service was
 6 interrupted. The earnings to be considered for the thirteenth through the
 7 twenty-fourth months shall not exceed one hundred fifteen percent of the
 8 earnings for the first through the twelfth months. The earnings to be considered
 9 for the twenty-fifth through the thirty-sixth months shall not exceed one
 10 hundred fifteen percent of the earnings for the thirteenth through the
 11 twenty-fourth months. The earnings to be considered for the thirty-seventh
 12 through the forty-eighth months shall not exceed one hundred fifteen percent
 13 of the earnings for the twenty-fifth through the thirty-sixth months. The
 14 earnings to be considered for the final twelve months shall not exceed one
 15 hundred fifteen percent of the earnings of the thirty-seventh through the
 16 forty-eighth months.

17 (2) "Member" shall include persons who would be eligible for system
 18 membership pursuant to R.S. 11:1751 but whose first employment making them
 19 eligible for membership in one of the state systems occurred on or after January
 20 1, 2013.

21 §1789.2. Eligibility for membership

22 Each person who would be eligible for membership pursuant to R.S.
 23 11:1751 but whose first employment making him eligible for membership in this
 24 system occurred on or after January 1, 2013, shall become a member of the
 25 MERS Plan A Tier 2 of the system as a condition of employment.

26 §1789.3. Eligibility for retirement

27 A member of MERS Plan A Tier 2 shall be eligible for retirement if he
 28 has:

29 A. Seven years or more of service, at age sixty-seven or thereafter.

30 B. Ten years or more of service, at age sixty-two or thereafter.

1 remaining to his credit shall be paid to his designated beneficiary or, if none, his
 2 estate.

3 §1789.5. Employee contributions

4 Each member of Plan A Tier 2 shall contribute a percentage of his
 5 earnings from each and every payment of earnings, which contributions shall
 6 be credited to Annuity Savings Fund A, and which percentage shall be set by the
 7 board for each fiscal year within a range from eight percent to ten percent and
 8 shall become effective as of the next payroll period reportable on the employee's
 9 W-2 for that fiscal year.

10 * * *

11 §1808. Creation; application

12 There is hereby created a subplan within the retirement Plan B of this
 13 system for persons who would otherwise be eligible for membership in the
 14 Municipal Employees' Retirement System of Louisiana Plan B but whose first
 15 employment making him eligible for membership in this system occurred on or
 16 after January 1, 2013. Such subplan shall be known as the MERS Plan B Tier
 17 2. Any other provisions of this Chapter or any other laws to the contrary
 18 notwithstanding, the retirement of such persons shall be governed by the
 19 provisions of Plan B Tier 2; however, the provisions of this Chapter applicable
 20 to Plan B Tier 1 shall apply to members of Tier 2 for any matter on which the
 21 provisions of Plan B Tier 2 are silent.

22 §1808.1. Application; definitions

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

26 (1) "Final compensation" shall mean the average monthly earnings
 27 during the highest sixty consecutive months, or joined months if service was
 28 interrupted. The earnings to be considered for the thirteenth through the
 29 twenty-fourth months shall not exceed one hundred fifteen percent of the
 30 earnings for the first through the twelfth months. The earnings to be considered

1 for the twenty-fifth through the thirty-sixth months shall not exceed one
2 hundred fifteen percent of the earnings for the thirteenth through the
3 twenty-fourth months. The earnings to be considered for the thirty-seventh
4 through the forty-eighth months shall not exceed one hundred fifteen percent
5 of the earnings for the twenty-fifth through the thirty-sixth months. The
6 earnings to be considered for the final twelve months shall not exceed one
7 hundred fifteen percent of the earnings of the thirty-seventh through the
8 forty-eighth months.

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

12 §1808.2. Eligibility for membership

13 Each person who would be eligible for system membership pursuant to
14 R.S. 11:1751 but whose first employment making him eligible for membership
15 in this system occurred on or after January 1, 2013, shall become a member of
16 the MERS Plan B Tier 2 of the system as a condition of employment.

17 §1808.3. Eligibility for retirement

18 Any member of MERS Plan B Tier 2 shall be eligible for retirement if
19 he has:

20 A. Seven years or more of service, at age sixty-seven or thereafter.

21 B. Ten years or more of service, at age sixty-two or thereafter.

22 C. Thirty years or more of service, at age fifty-five or thereafter.

23 D. Twenty-five years of service credit at any age, exclusive of military
24 service and unused annual and sick leave. However, any member retiring
25 under this Subsection shall have his benefit, inclusive of military service credit
26 and allowable unused annual and sick leave, actuarially reduced from the
27 earliest age at which he would be entitled to a vested deferred benefit under any
28 provision of this Section, if he had continued in service to that age. Any member
29 who retires under this Subsection is not eligible to participate in the Deferred
30 Retirement Option Plan.

1 Section 2. This Act shall become effective on July 1, 2012; if vetoed by the governor
2 and subsequently approved by the legislature, this Act shall become effective on July 1,
3 2012, or on the day following such approval by the legislature, whichever is later.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____