Regular Session, 2012

ACT No. 720

SENATE BILL NO. 49

BY SENATOR GUILLORY

1	AN ACT
2	To amend and reenact R.S. 11:1732(22) and (23) and 1763(A) and to enact R.S. 11:1789
3	through 1789.5 and R.S. 11:1808 through 1808.5, relative to the Municipal
4	Employees' Retirement System; to provide relative to membership, employee
5	contributions, benefit calculation, survivor benefits, disability benefits, and
6	retirement eligibility for future system members; to provide an effective date; and
7	to provide for related matters.
8	Notice of intention to introduce this Act has been published.
9	Be it enacted by the Legislature of Louisiana:
10	Section 1. R.S. 11:1732(22) and (23) and 1763(A) are hereby amended and
11	reenacted and R.S. 11:1789 through 1789.5 and R.S. 11:1808 through 1808.5 are hereby
12	enacted to read as follows:
13	§1732. Definitions
14	The following words and phrases, as used in this Chapter, unless a different
15	meaning is plainly required by the context, shall have the following meaning:
16	* * *
17	(22) "Plan A" means the revised plan to replace a combination of the regular
18	and supplemental plans, to be effective October 1, 1978, as outlined in Part III of this

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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	<u>January 1, 2013.</u>
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	<u>be comprised of two subplans, Tier 1 for members hired on or before December</u>
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	<u>§1789. Creation; application</u>
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	<u>§1789.1. Application; definitions</u>

Page 2 of 8 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

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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	<u>earnings for the first through the twelfth months. The earnings to be considered</u>
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.
16 17	<u>forty-eighth months.</u> (2) "Member" shall include persons who would be eligible for system
17	(2) "Member" shall include persons who would be eligible for system
17 18	(2) "Member" shall include persons who would be eligible for system membership pursuant to R.S. 11:1751 but whose first employment making them
17 18 19	(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 occurred on or after January
17 18 19 20	(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 occurred on or after January 1, 2013.
17 18 19 20 21	(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 occurred on or after January 1, 2013. §1789.2. Eligibility for membership
 17 18 19 20 21 22 	 (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 occurred on or after January 1, 2013. §1789.2. Eligibility for membership Each person who would be eligible for membership pursuant to R.S.
 17 18 19 20 21 22 23 	 (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 occurred on or after January 1, 2013. §1789.2. Eligibility for membership Each person who would be eligible for membership pursuant to R.S. 11:1751 but whose first employment making him eligible for membership in this
 17 18 19 20 21 22 23 24 	 (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 occurred on or after January 1, 2013. §1789.2. Eligibility for membership Each person who would be eligible for membership pursuant to R.S. 11:1751 but whose first employment making him eligible for membership in this system occurred on or after January 1, 2013, shall become a member of the
 17 18 19 20 21 22 23 24 25 	 (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 occurred on or after January 1, 2013. §1789.2. Eligibility for membership Each person who would be eligible for membership pursuant to R.S. 11:1751 but whose first employment making him eligible for membership in this system occurred on or after January 1, 2013, shall become a member of the MERS Plan A Tier 2 of the system as a condition of employment.
 17 18 19 20 21 22 23 24 25 26 	 (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 occurred on or after January 1, 2013. §1789.2. Eligibility for membership Each person who would be eligible for membership pursuant to R.S. 11:1751 but whose first employment making him eligible for membership in this system occurred on or after January 1, 2013, shall become a member of the MERS Plan A Tier 2 of the system as a condition of employment. §1789.3. Eligibility for retirement
 17 18 19 20 21 22 23 24 25 26 27 	 (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 occurred on or after January 1, 2013. §1789.2. Eligibility for membership Each person who would be eligible for membership pursuant to R.S. 11:1751 but whose first employment making him eligible for membership in this system occurred on or after January 1, 2013, shall become a member of the MERS Plan A Tier 2 of the system as a condition of employment. §1789.3. Eligibility for retirement A member of MERS Plan A Tier 2 shall be eligible for retirement if he

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1	C. Thirty years or more of service, at age fifty-five or thereafter.
2	D. Twenty-five years of service credit at any age, exclusive of military
3	service and unused annual and sick leave. However, any member retiring
4	under this Subsection shall have his benefit, inclusive of military service credit
5	and allowable unused annual and sick leave, actuarially reduced from the
6	<u>earliest age at which he would be entitled to a vested deferred benefit under any</u>
7	provision of this Section, if he had continued in service to that age. A member
8	who elects to retire under the provisions of this Subsection is not eligible to
9	participate in the Deferred Retirement Option Plan.
10	<u>§1789.4. Computation of normal retirement allowances; return of accumulated</u>
11	<u>contributions</u>
12	The monthly amount of the retirement allowance for any member of
13	MERS Plan A Tier 2 shall consist of an amount equal to three percent of the
14	member's final compensation multiplied by his years of creditable service. In
15	addition:
16	(1) Any city marshal or deputy city marshal, excluding those members
17	serving as city marshals and deputy city marshals of Bossier City or Ruston on
18	June 30, 2003, shall receive an additional regular retirement benefit computed
19	as follows: the monthly average of the seventy-two highest consecutive or joined
20	months of supplemental marshals' earnings on which contributions were paid
21	to the retirement system multiplied by the number of years contributions were
22	paid to the retirement system on supplemental marshals' earnings multiplied
23	by three percent for all service as a city marshal or deputy city marshal. Should
24	the period for which contributions are paid to the retirement system for
25	supplemental marshals' earnings be less than seventy-two months, then the
26	actual period on which contributions were paid shall be used to determine
27	average supplemental marshals' earnings used to compute this benefit.
28	(2) Should a retired member die without having received in retirement
29	benefits an amount equal to his accumulated contributions standing to his credit
30	at the date of his retirement, and leave no eligible survivors, any balance

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1	<u>remaining to his credit shall be paid to his designated beneficiary or, if none, his</u>
2	<u>estate.</u>
3	<u>§1789.5. Employee contributions</u>
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	<u>§1808. Creation; application</u>
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	<u>earnings for the first through the twelfth months. The earnings to be considered</u>

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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	<u>forty-eighth months.</u>
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	<u>§1808.2. Eligibility for membership</u>
13	Each person who would be eligible for system membership pursuant to
14	<u>R.S. 11:1751 but whose first employment making him eligible for membership</u>
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.
16 17	<u>the MERS Plan B Tier 2 of the system as a condition of employment.</u> <u>§1808.3. Eligibility for retirement</u>
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17 18	<u>§1808.3. Eligibility for retirement</u> <u>Any member of MERS Plan B Tier 2 shall be eligible for retirement if</u>
17 18 19	§1808.3. Eligibility for retirement Any member of MERS Plan B Tier 2 shall be eligible for retirement if he has:
17 18 19 20	<u>§1808.3. Eligibility for retirement</u> <u>Any member of MERS Plan B Tier 2 shall be eligible for retirement if</u> <u>he has:</u> <u>A. Seven years or more of service, at age sixty-seven or thereafter.</u>
17 18 19 20 21	 §1808.3. Eligibility for retirement Any member of MERS Plan B Tier 2 shall be eligible for retirement if he has: A. Seven years or more of service, at age sixty-seven or thereafter. B. Ten years or more of service, at age sixty-two or thereafter.
 17 18 19 20 21 22 	 §1808.3. Eligibility for retirement Any member of MERS Plan B Tier 2 shall be eligible for retirement if he has:
 17 18 19 20 21 22 23 	 §1808.3. Eligibility for retirement Any member of MERS Plan B Tier 2 shall be eligible for retirement if he has: A. Seven years or more of service, at age sixty-seven or thereafter. B. Ten years or more of service, at age sixty-two or thereafter. C. Thirty years or more of service, at age fifty-five or thereafter. D. Twenty-five years of service credit at any age, exclusive of military
 17 18 19 20 21 22 23 24 	 §1808.3. Eligibility for retirement Any member of MERS Plan B Tier 2 shall be eligible for retirement if he has: A. Seven years or more of service, at age sixty-seven or thereafter. B. Ten years or more of service, at age sixty-two or thereafter. C. Thirty years or more of service, at age fifty-five or thereafter. D. Twenty-five years of service credit at any age, exclusive of military service and unused annual and sick leave. However, any member retiring
 17 18 19 20 21 22 23 24 25 	§1808.3. Eligibility for retirement Any member of MERS Plan B Tier 2 shall be eligible for retirement if he has: A. Seven years or more of service, at age sixty-seven or thereafter. B. Ten years or more of service, at age sixty-two or thereafter. C. Thirty years or more of service, at age fifty-five or thereafter. D. Twenty-five years of service credit at any age, exclusive of military service and unused annual and sick leave. However, any member retiring under this Subsection shall have his benefit, inclusive of military service credit
 17 18 19 20 21 22 23 24 25 26 	§1808.3. Eligibility for retirementAny member of MERS Plan B Tier 2 shall be eligible for retirement ifhe has:A. Seven years or more of service, at age sixty-seven or thereafter.B. Ten years or more of service, at age sixty-two or thereafter.C. Thirty years or more of service, at age fifty-five or thereafter.D. Twenty-five years of service credit at any age, exclusive of militaryservice and unused annual and sick leave. However, any member retiringunder this Subsection shall have his benefit, inclusive of military service credit
 17 18 19 20 21 22 23 24 25 26 27 	§1808.3. Eligibility for retirement Any member of MERS Plan B Tier 2 shall be eligible for retirement if he has: A. Seven years or more of service, at age sixty-seven or thereafter. B. Ten years or more of service, at age sixty-two or thereafter. C. Thirty years or more of service, at age fifty-five or thereafter. D. Twenty-five years of service credit at any age, exclusive of military service and unused annual and sick leave. However, any member retiring under this Subsection shall have his benefit, inclusive of military service credit and allowable unused annual and sick leave, actuarially reduced from the earliest age at which he would be entitled to a vested deferred benefit under any

Page 6 of 8 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

1	<u>§1808.4. Computation of normal retirement allowances; return of accumulated</u>
2	<u>contributions</u>
3	The monthly amount of the retirement allowance for any member of
4	MERS Plan B Tier 2 shall consist of an amount equal to two percent of the
5	member's final compensation multiplied by his years of creditable service. In
6	addition:
7	(1) Should a retired member die without having received in retirement
8	benefits an amount equal to his accumulated contributions standing to his credit
9	at the date of his retirement, and leave no eligible survivors, any balance
10	remaining to his credit shall be paid to his designated beneficiary or, if none, his
11	<u>estate.</u>
12	(2) Any city marshal or deputy city marshal, excluding those members
13	serving as city marshals and deputy city marshals of Bossier City or Ruston on
14	June 30, 2003, shall receive an additional regular retirement benefit computed
15	as follows: the monthly average of the seventy-two highest consecutive or joined
16	months of supplemental marshals' earnings on which contributions were paid
17	to the retirement system multiplied by the number of years contributions were
18	paid to the retirement system on supplemental marshals' earnings multiplied
19	by two percent for all service as a city marshal or deputy city marshal. Should
20	the period for which contributions are paid to the retirement system for
21	supplemental marshals' earnings be less than seventy-two months, then the
22	actual period on which contributions were paid shall be used to determine
23	average supplemental marshals' earnings used to compute this benefit.
24	<u>§1808.5. Employee contributions</u>
25	Each member of MERS Plan B Tier 2 shall contribute an amount equal
26	to a percentage of his earnings from each and every payment of earnings, which
27	contributions shall be credited to Annuity Savings Fund B, and which
28	percentage shall be set by the board for each fiscal year in a range from four
29	percent to six percent and shall become effective as of the next payroll period
30	reportable on the employee's W-2 for that fiscal year.

Page 7 of 8 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

ENROLLED

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: _____