


# IMPORTANT MEMO

## FIREFIGHTERS' RETIREMENT SYSTEM

To: All Mayors  
From: Layne McKinney, Controller/System CPA   
Date: December 4, 2015  
Subject: Employer Contribution Rate for FY 16-17

### EMPLOYER CONTRIBUTION RATE FY 16-17

27.25% below poverty

25.25% above poverty

EFFECTIVE DATE = JULY 1, 2016

The Public Retirement System Actuarial Committee (PRSAC) has adopted the FRS actuarial valuation containing an employer contribution rate of 27.25%, for below poverty and 25.25% for above poverty employees effective July 1, 2016. **Caution: While the employer's contribution rate is going down 2%, to 25.25% for the fiscal year beginning July 1, 2016, our actuary states that it is highly likely that the rate could go back up 2% in the fiscal year beginning July 1, 2017.**

Also, please note that this memo outlines the procedures that are to be used by each employer when calculating contributions due to the Firefighters' Retirement System. Contributions should be calculated in accordance with R.S. 11:233, R.S. 11:2252(9), and R.S. 11:2262. These statutes state in part "Earnings or earnable compensation shall not include overtime unless it is required to be worked in the employee's regular tour of duty, operating expenses, use of automobile or motor vehicles, the cost of any insurance paid by the employer, any allowance for expenses incurred as an incident of employment, payments made in lieu of unused annual or sick leave, bonuses, terminal pay, severance pay, or any other type of irregular or nonrecurring payment". Compensation resulting from overtime that is required to be worked in a firefighter's regular tour of duty is included in his earnable compensation. This is referred to as "scheduled overtime". Conversely, any overtime that is not required as part of a firefighter's regular tour of duty is not included in his retirement compensation.

Each month employers are required to submit contribution reports that contain a signed certification statement. This statement must read "Contributions due by the 20<sup>th</sup> of the month following this report date are calculated in accordance with R.S. 11:233, R.S. 11:2252(9), and R.S. 11:2262". If you have any questions, please contact me at the retirement office at (225) 925-4060.

**Please give these rates to your fire chiefs and finance and budget departments so that they will also have this important data.**