

Section 11: XXX is hereby created to read as follows:

- A. The provisions of 11:242 and 11:243 notwithstanding, the Board of Trustees, in any year in which any other cost of living is not authorized, may grant a one-time bonus not to exceed \$2000 to eligible retirees and beneficiaries, payable in December of that year.
- B. An eligible retiree or beneficiary shall be an individual who retired on an unreduced service retirement as provided in Section 11:2256 (A) or a service connected disability retirement as provided in Section 11:2258 and has been retired and separated from service for a period of not less than twelve months.
- C. The cost of benefit shall be financed by an increase in the employer normal cost not to exceed an aggregate for all employers of \$5,500,000. In the event the maximum contribution is insufficient to yield a benefit of \$2,000 per retiree or beneficiary, the Board may grant a pro-rata share to each eligible retiree or survivor.

Section 11:22XX is hereby created to read

Permanent Benefit Increase

- A. Notwithstanding any other provision of law, the Board of Trustees may pay a permanent benefit increase, payable beginning July 1 20XX to eligible retirees and beneficiaries as provided in this section.
- B. An eligible retiree or beneficiary must have retired on an unreduced normal retirement as provided in 11:2256 and have attained age 60 and have been in receipt of retirement benefits for at least five years. An eligible retiree shall also include an individual who retired on a service connected disability retirement as provided in 11:2258 or beneficiary without regard to age and has been in receipt of disability retirement benefits for at least five years.
- C. The benefit increase shall be funded by creating a cost of living account which shall consist of XXX% of the (actuarial) (investment) experience gain in excess of the amortization basis in 11:103.
- D. In no event shall a credit be made to the cost of living account exceed the amount needed to make the permanent increase.
- E. The cost of living account shall be debited by actuarial loss during the prior year, by the amount of any benefit increase, but shall not reduce the balance below zero.
- F. No increase shall be granted if the System is less than XX% funded and the System fails to earn an actuarial rate of return which exceeds the board-approved actuarial valuation rate.
- G. The benefit increase shall by XX% of the first \$50,000 of retirement benefits if the System less than XX% funded and YY% if the System is YY% funded.
- H. Regardless of the funded status of the System, no benefit increase shall be granted if the Legislature has authorized a benefit increase, including a non-recurring increase, the preceding year.

2022 La. Sess. Law Serv. Act 360 (H.B. 21) (WEST)

LOUISIANA 2022 SESSION LAW SERVICE

2022 Regular Session

Additions are indicated by **Text**; deletions by
~~Text~~ .

Vetoed are indicated by ~~Text~~ ;
stricken material by ~~Text~~ .

ACT NO. 360

H.B. No. 21

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

BY REPRESENTATIVE BACALA

AN ACT to enact R.S. 11:2225.5 and to repeal R.S. 11:107.2, 243(A)(8), 246(A)(8), and 2225(A)(7), relative to the Municipal Police Employees' Retirement System; to establish a funding deposit account; to provide for source of funding therefor; to authorize the board of trustees to adjust employer contribution rates; to provide for additional payments to retirees, survivors, and beneficiaries; to provide for funding of, eligibility for, and payment of the additional payments; to provide for payment of system liabilities; and to provide for related matters.

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

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:2225.5 is hereby enacted to read as follows:

<< LA R.S. 11:2225.5 >>

§ 2225.5. Funding deposit account

A. (1) There is hereby established a funding deposit account, hereafter in this Section referred to as the "account". The account shall be credited and charged solely as provided in this Section.

(2) The balance in the account shall be set equal to zero as of July 1, 2022.

(3) The funds in the account shall earn interest annually at the board approved valuation interest rate, and the interest shall be credited to the account once a year.

B. (1) Notwithstanding any provision of R.S. 11:103 or 104 to the contrary, for fiscal years beginning on or after July 1, 2023, the board of trustees may require a net direct contribution rate of up to the following applicable limit:

(a) For a year in which the employer contribution rate determined under R.S. 11:103 is equal to or greater than the rate determined under R.S. 11:103 for the previous year, the rate determined under R.S. 11:103 plus eighty-five hundredths of one percentage point.

(b) For a year in which the employer contribution rate determined under R.S. 11:103 is lower than the rate determined under R.S. 11:103 for the previous year, the rate determined under R.S. 11:103 plus eighty-five hundredths of one percentage point plus one-half of the difference between the rates determined for the two years.

(2) For any fiscal year in which the board of trustees sets the direct employer contribution rate higher than the rate determined under R.S. 11:103, excess contributions resulting from the higher rate shall be used as provided in Paragraph (C)(1) of this Section or transferred to the account as provided in Paragraph (C)(2) of this Section.

C. (1) Except as provided in Paragraph (2) of this Subsection, any excess contributions resulting from the board's exercise of its authority pursuant to Paragraph (B)(1) of this Section shall be applied, until exhausted, exclusively to reduce the outstanding balance of the oldest positive amortization base; however, the future payments for such amortization base shall continue to be made according to the original amortization schedule established in compliance with the requirements of Article X, Section 29(E)(3) of the Constitution of Louisiana and R.S. 11:103 until the outstanding balance is fully liquidated.

(2) The board of trustees may dedicate a specific amount of excess contributions, up to the amount generated by setting the rate equal to eighty-five hundredths of one percentage point more than the rate determined under R.S. 11:103, to be used solely to pay additional benefits to retirees, survivors, and beneficiaries. The dedicated amount of funds shall be credited to the account.

D. Beginning with the June 30, 2024, valuation, the board of trustees may, in any fiscal year, direct that the account be charged to provide additional benefits to retirees, survivors, and beneficiaries as provided in Subsection F of this Section.

E. The monies in the account shall not be considered system assets for purposes of calculating employer contributions.

F. (1) Funding for additional benefits for retirees, survivors, and beneficiaries shall be provided only from the funding deposit account and only when sufficient funds are available as determined by the actuary. The additional benefits shall be payable only as determined by the board of trustees, and the board shall determine the following:

(a) Whether the additional benefit will be a nonrecurring lump-sum payment or a permanent benefit increase; provided, however, that any additional benefit paid under the provisions of this Subsection shall be in the form of a nonrecurring lump sum no more frequently than once in a three-year period.

(b) Whether the additional benefit will be calculated is based upon the original or current benefit.

(c) Whether a minimum age will be required to receive an additional benefit.

(d) Whether a minimum period since benefit commencement longer than the period required in Subparagraph (2)(b) of this Subsection will be required to receive an additional benefit.

(2)(a) The amount of any permanent benefit increase shall not exceed three percent of the benefit to be used in the calculation in accordance with Subparagraph (1)(b) of this Subsection.

(b) No additional benefit shall be payable until at least one year has elapsed since benefit commencement.

(3) Approval of additional benefits for retirees, survivors, and beneficiaries as provided in this Subsection shall be made by formal action of the board of trustees and considered amendments to the plan provisions of the retirement system.

<< Repealed: LA R.S. 11:107.2 >>

<< LA R.S. 11:243 >>

<< LA R.S. 11:246 >>

<< LA R.S. 11:2225 >>

Section 2. R.S. 11:107.2, 243(A)(8), 246(A)(8), and 2225(A)(7) are hereby repealed in their entirety.

Section 3. This Act shall become effective on June 30, 2022; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval by the legislature or June 30, 2022, whichever is later.

Approved June 10, 2022.

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