

SENATE BILL NO. 7

BY SENATOR GUILLORY

1 AN ACT

2 To amend and reenact R.S. 11:1732(15) and 1763(J)(1), (2), and (3), relative to the
3 Municipal Employees' Retirement System; to provide for final average
4 compensation; to provide for calculation of additional benefits following
5 participation in the Deferred Retirement Option Plan; to provide for transitional
6 provisions; to provide an effective date; and to provide for related matters.

7 Notice of intention to introduce this Act has been published.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 11:1732(15) and 1763(J)(1), (2), and (3) are hereby amended and
10 reenacted to read as follows:

11 §1732. Definitions

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

14 * * *

15 (15)(a) "~~Final compensation~~", ~~for a member whose first employment making~~
16 ~~him eligible for membership in the system began on or before June 30, 2006, means~~
17 ~~the average monthly earnings during the highest thirty-six consecutive months or~~
18 ~~joined months if service was interrupted. The earnings to be considered for the~~
19 ~~thirteenth through the twenty-fourth months shall not exceed one hundred fifteen~~
20 ~~percent of the earnings for the first through the twelfth months. The earnings to be~~
21 ~~considered for the final twelve months shall not exceed one hundred fifteen percent~~
22 ~~of the earnings of the thirteenth through the twenty-fourth months.~~

23 (b) "~~Final compensation~~", ~~for a member whose first employment making him~~
24 ~~eligible for membership in the system began on or after July 1, 2006, means the~~
25 average monthly earnings during the highest sixty consecutive months or joined
26 months if service was interrupted. The earnings to be considered for the thirteenth
27 through the twenty-fourth months shall not exceed one hundred fifteen percent of the

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

* * *

§1763. Deferred Retirement Option Plan

* * *

12 J. If employment is not terminated at the end of the period specified for
 13 participation in the plan, payments into the plan fund shall cease and the person shall
 14 resume active contributing membership in the system. Payments from the plan fund
 15 shall not be made until employment is terminated, nor shall the monthly benefits
 16 which were being paid into the plan fund during the period of participation be
 17 payable to the person until he terminates employment. Upon termination of
 18 employment, the person shall receive a lump sum payment from the plan fund equal
 19 to his account in that fund, a true annuity based upon his account in that fund, or any
 20 other method of payment approved by the board of trustees. If a person elects to
 21 receive a true annuity or other method of payment approved by the board of trustees,
 22 funds shall be transferred from the plan fund to the annuity reserve fund to provide
 23 for the annuity payments. Also upon termination of employment, the monthly
 24 benefits which were being paid into the plan fund shall begin to be paid to the retiree
 25 and he shall receive an additional benefit based on his additional service rendered
 26 since termination of participation in the fund, using the normal method of
 27 computation of benefit, subject to the following:

28 (1)(a) If his ~~first employment making him eligible for membership in the~~
 29 ~~system began on or before June 30, 2006, and his period of additional service is less~~
 30 than ~~thirty-six~~ **the number of months used in the computation of his original**

1 period used to calculate monthly average final compensation shall be thirty-six months plus
2 the number of whole months since January 1, 2013.

3 (B) Notwithstanding any other provision of this Section to the contrary, the monthly
4 final compensation expressed in dollars used to compute a member's benefit after the
5 effective date of this Act shall not be less than the dollar amount of the average monthly
6 earnings during the member's highest thirty-six consecutive months or joined months of
7 service earned for employment before January 1, 2013.

8 Section 3. This Act shall become effective July 1, 2012; if vetoed by the governor
9 and subsequently approved by the legislature, this Act shall become effective on July 1,
10 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: _____