

# MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM



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November 2012

**KATHY BOURQUE**  
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TO: All Municipalities  
City/Payroll Clerks and Chiefs of Police

FROM: Kathy Bourque, Director

RE: **Act 522 (HB 1174)**  
**2012 Regular Legislative Session**

Please be advised that during the 2012 Regular Legislative Session Act 522 (HB 1174) passed with the effective date of **January 1, 2013**. This Act establishes "**Hazardous Duty**" and "**Non Hazardous Duty**" sub plans for members whose first employment makes them eligible for membership in MPERS on or after January 1, 2013.

Membership eligibility remains the same under R.S.11:2213(11)

**Hazardous Duty Subplan** – persons who by virtue of their employment are eligible to receive state supplemental pay, notwithstanding any temporal restrictions relative to qualifying for such pay.

**Non-Hazardous Duty Subplan** – persons who by virtue of their employment are NOT eligible to receive state supplemental pay.

For members hired prior to January 1, 2013 and for members of the **Hazardous Duty Subplan** hired on or after January 1, 2013:

Employee and employer contribution rates will be determined each fiscal year beginning July 1, 2011 based on a sliding scale (below). For members whose earnable compensation is less than or equal to the poverty guidelines, employee contributions will remain at 7.5%.

July 1, 2012 thru June 30, 2013 employee contributions will be 10% and employer contributions will be 31%. (Below poverty 7.5% and 33.5%)

The sliding scale is based on the total amount of employee and employer contributions due.

<u>Total contributions</u>	<u>Employee cont.</u>
25.00% or below	7.50%
25.01% to 25.75%	7.75%
25.76% to 26.50%	8.00%
26.51% to 27.25%	8.25%
27.26% to 28.00%	8.50%
28.01% to 28.75%	8.75%
28.76% to 29.50%	9.25%
29.51% to 30.25%	9.50%
30.26% to 31.00%	9.75%
31.01% or above	10.00%

For members of the **Non-Hazardous Duty** Subplan employee contribution rate will be 8% or equal to the rate of the Hazardous Duty Subplan if less than 8%.

**SUMMARY:**

**ALL members hired prior to January 1, 2013:**

10% employee contributions (below poverty 7.5%)

31% employer contributions (below poverty 33.5%)

**Hazardous Duty hired after January 1, 2013 (receiving state supplemental pay)**

10% employee contributions (below poverty 7.5%)

31% employer contributions (below poverty 33.5%)

**Non-Hazardous Duty hired after January 1, 2013 (not receiving state supplemental pay)**

8% employee contributions

33% employer contributions

## **Description of Benefits:**

### **Hazardous Duty Subplan (Tier 2h):**

- 3% accrual rate
- 5 year or 60 month average final compensation
- 25 years of service at any age – Regular Retirement
- 12 years of service at age 55 – Regular Retirement
- 20 years of service at any age, actuarially reduced from age 55 – Early Retirement
- 30 years of service shall equal 3 1/3% of AFC not to exceed 100% of AFC not including transferred credit unless increased accrual rate purchased
- DROP/IBO must be eligible for Regular Retirement only to participate
- Disability –2.75% accrual rate no less than 33% no more than 55% of AFC, must have 10 years of service unless in line of duty
- Survivor – no less than 33% no more than 55% of AFC only payable if member is killed in line of duty or had at least 10 years of service in MPERS. If less than 10 years of service in MPERS and not killed in line of duty, beneficiary listed with MPERS will receive a refund of employee contributions.
- Minor child/children – 10% of AFC or \$200 whichever is greater only payable if member is killed in line of duty or had a least 10 years of service in MPERS. If less than 10 years of service in MPERS and not killed in line of duty, beneficiary listed with MPERS will receive a refund of employee contributions.

### **Non-Hazardous Duty Subplan (Tier 2n):**

- 2.5% accrual rate
- 5 year or 60 month average final compensation
- 30 years of service at any age – Regular Retirement
- 25 years of service at age 55 – Regular Retirement
- 10 years of service at age 60 – Regular Retirement
- 20 years of service at any age, actuarially reduced from age 55 – Early Retirement
- DROP/IBO must be eligible for Regular Retirement only to participate
- Disability –2.25% accrual rate no less than 25% no more than 50% of AFC, must have 10 years of service regardless of in line of duty
- Survivor – no less than 25% no more than 50% of AFC only payable if member had at least 10 years of service in MPERS. If less than 10 years of service in MPERS, beneficiary listed with MPERS will receive a refund of employee contributions.
- Minor child/children – 10% of AFC or \$200 whichever is greater only payable if member had a least 10 years of service in MPERS. If less than 10 years of service in MPERS, beneficiary listed with MPERS will receive a refund of employee contributions.