

**Municipal Police Employees' Retirement System  
Minutes of the Legislative Committee Meeting  
November 15, 2023**

The Legislative Committee of the Municipal Police Employees' Retirement System held a meeting on Wednesday, November 15, 2023 at the system's office at 7722 Office Park Boulevard in Baton Rouge, Louisiana.

**A. Call to Order**

The meeting was called to order by Major (Retired) Gibson at 9:05 am.

**B. Roll Call**

**Members Present**

Major Raymond Burkart, Jr., Chairman  
Major (Retired) Kelly Gibson  
Lt. (Retired) Chad King (for Mayor Greg Cromer)

**Members Absent**

Mayor Greg Cromer

**Others Present**

Mr. Benjamin Huxen II, MPERS Executive Director and General Counsel  
Ms. Taylor Camp, MPERS, Chief Financial Officer  
Ms. Emily Thurston, Accountant  
Ms. Melissa Frazier, MPERS, Benefits Administrator  
Mr. David Barnes, NEPC, Investment Consultant  
Ms. Sheri Morris - Daigle, Fisse, & Kessenich  
Mr. Greg Curran - Curran Actuarial Consulting, Actuary  
Chief David Addison, MPERS Board member  
Representative Tony Bacala, MPERS Board member  
Chief Edwin Bergeron, Jr., MPERS Board member  
Mayor Gerard Landry, MPERS Board member  
Mr. Julius Roberson, State Treasurer designee/MPERS Board member  
Chief Beth Westlake, MPERS Board member (virtual)  
Chief Christopher Wilrye, MPERS Board member  
Mr. Joey David, Legislative Analyst (House Retirement Committee)  
Mr. Tyler Brannan – Curran Actuarial Consulting, Actuarial Analyst  
Asst. Chief DiMarco, MPERS Board member (joined the meeting in progress)

**C. Public Comment**

None

**D. Approval of the October 18, 2023 Committee Meeting Minutes**

**Motion by Major (Retired) Kelly Gibson, seconded by Lt. (Retired) Chad King, to approve the minutes of the legislative committee meeting held October 18, 2023. Without objection, the motion carried.**

**E. New Business**

**1. Discussion and Action Regarding Legislation for the 2024 Regular Session**

Mr. Huxen started by covering the items discussed at the legislative committee meeting in October. The first item was a discussion about getting rid of the affidavits for employees of R.S. 11:157 municipalities. Employees would have to file an affidavit by December 31, 2024 to opt out of membership. In the future, all employees of member employers would be required to enroll.

The second recommended change was to delete words in R.S. 11:2213(11)(a)(iii), "in a position as defined in the municipal fire and police civil service system" and ",who is paid from the budget of the applicable police department" to bring MPERS' statutory language in line with the Attorney General's opinion received earlier in the year. The reason for such changes is that those who fall under the supervision of the chief qualify regardless of where their pay comes from. He stated they also needed to remove R.S. 11:2213(11)(a)(iv) that states employees must earn at least \$375 per month since that is no longer relevant due to the definition of "full-time". Also, to repeal the requirement for an elected chief to earn a salary of at least \$1,000 per month to be eligible.

The next item was an amendment to R.S. 11:2220 which covers benefits and contribution limits. The committee discussed adding language to the end of the first sentence in R.S. 11:2220(B)(1)(e) to state "if the application is received by the system by the later of 1) September 20, 2024 or 2) 120 days from the date of death". This has to do with cases where people gamed the system by not filing for survivor benefits because their loved one is in a nursing home.

The committee then discussed the provisions relevant to retirees who return to work. Mr. Huxen stated that the committee talked about an issue Chief Bergeron discussed related to a chief returning to work and discussed issues for other retirees. The committee also discussed extending the DROP period to possibly 5, 7, or 9 years and also talked about adding a provision that once the oldest positive amortization base is paid off, the system switch from DROP to a Back-DROP. One of the key provisions for this would be to apply it only those who first become eligible for Back-DROP after the date that the amortization base is paid off to avoid people waiting for the Back-DROP.

Major Burkart stated that he noticed that one of the subsections talks about state civil service as opposed to New Orleans civil service. He asked if the committee discussed the impact. Mr. Huxen stated that it did not matter if employees were covered by civil service, which was part of the reason why they recommended taking that out.

Mr. Huxen directed the committee to page 2, item 4, subsection I, to require that within 30 days of enrollment members provide physical examinations, birth certificates, and social security cards. Probably easiest to handle with regulations and put in statutory deadlines and provide for penalties when late. In cases where physicals are not provided it can hurt an officer because certain presumptions are applied to them. He added that the system needs some sort of provision in the law to penalize municipalities for not providing paperwork on time.

Another change would be to allow for elected trustees on the MPERS Board of Trustees to complete their terms if they remain a member or retiree when there is a change in their status and when they have no more than two years left on their term. If Board members do not remain a member or retiree, the change would allow the Board to appoint an individual to finish out the remainder of the term. This would save on costs related to elections in these cases.

Mr. Huxen suggested deleting the phrase "and contracts for police services with another entity" within R.S. 11:2225.4(A)(1). This change relates to dissolution and partial dissolution. Mr. Huxen discussed possible cases where a dissolution could occur without a formal contract for police services with another entity and stated that the system wanted to make clear that such a case would constitute a dissolution.

The next item related to working with the actuary to produce recommendations to better account for partial dissolution of mid-size employers. Mr. Huxen asked the committee to vote to allow the staff to advertise for the bill with the intention of working out the provisions in the coming months. Mr. Curran stated that the basic concept was the addition of a cumulative test to avoid having employers get out of the system slowly over time with almost no cost. He reminded the committee of previous education on the subject where he presented a chart showing the membership levels of all employers over the past number of years. Within that chart, the Board saw cases where employers dropped significantly in membership levels but over time and never triggered a partial dissolution. Mr. Curran stated that they would have to be careful in drafting because there were provisions that essentially allowed employers to "un-trigger" in some circumstances. That might be a little challenging in a cumulative world. The goal is a system where employers who lower their membership levels pay their proportion of the UAL, but with some triggers so the system is not catching employers whose membership levels are changing from year to year in a normal fashion. The other possibility would be to create a table with a larger number of categories related to how many employees

employers of different sizes can lose without constituting a partial dissolution. Mr. Curran stated that his office could provide an updated table showing the change in membership levels of each employer over the past decade to help foster the discussion of the fairest approach. He stated that the goal was to protect employers who had not decreased their membership levels from becoming responsible for a share of the UAL greater than they deserved.

Mr. Huxen suggested requiring that dissolution payments be made electronically like other payments made to the system. He also suggested amending the dissolution statute to change the reference from "a court of competent jurisdiction" to "the Nineteenth Judicial District Court of Louisiana". In addition, he suggested a change to the requirement that the Board submit a resolution to the treasurer when MPERS seeks payment of funds owed by an employer to instead allow the system's executive director to certify the amount to the treasurer. Also, he suggested adding a definition of "employer" in Paragraph 3 of Subsection D to make sure that the provisions include municipalities who, at the time of certification, may not have a full-time police officer or an elected chief making at least \$1,000.

Mr. Huxen stated that he would like to amend R.S. 11:2224(A) to authorize the "pop-up" benefits that MPERS currently provides. Mr. Curran stated that the Board currently had the right to provide "pop-up" forms of benefit under Option 4 and suggested that the system may have been allowing "pop-ups" under Option 4 based on similar advice from their previous actuary. Mr. Huxen stated that the Board would not need that legislative change if it could approve "pop-up" benefits under Option 4. However, he did suggest adding R.S. 11:2224(I) to provide that optional and "pop-up" benefits are payable upon application therefor and become effective as of the day following the death of the retiree. However, if an optional beneficiary or retiree with a "pop-up" benefit does not submit an application for benefits or a change in benefits, by the later of 1) September 20, 2024 or 2) 120 days from the date of death, then benefits (or the increased benefit, in the case of a "pop-up") shall become effective and payable on the first day of the next month following thirty days from the date that the system receives the completed application for benefits. This is because the system faces situations where beneficiaries neglect to make an application for longer than 120 days. Major (Retired) Gibson asked if the staff reaches out to beneficiaries. Mr. Huxen stated that they did and discussed how they searched for the death of members and retirees.

Mr. Huxen stated that the next item was a suggestion of the system's actuary to delete the reference in R.S. 11:2241.4(A)(3) related to the Hazardous Duty Subplan which refers to "Paragraph (1)" since early retirement does not apply in that case. Also, to change the reference in R.S. 11:2242.4(A)(3) related to the Non-Hazardous Duty Subplan to change "Paragraph (1) or (2)" to "Paragraph (4)". This has to do with early retirement actuarial reductions. Mr. Curran stated that he believed the issue was copying incorrect references from another statute when the new tiers were created. Mr. Curran stated that he

wasn't sure the system had ever had a case of early retirement in the new tiers but that the system needed to clarify the language.

Mr. Huxen stated that the next item related to the contributions and the administration of MPERS. He stated that within R.S. 11:2214(A)(2) he wanted to mandate a list of specific documents that employers must provide upon enrollment and provide a financial penalty for employers that do not provide them. Mr. Huxen suggested possibly a \$100 per day per employee penalty beginning July 1, 2025 if required documents are not provided within 30 days of enrollment. He suggested also specifying that it applies to those currently enrolled because MPERS has a serious backlog of missing documents. These documents include physical examinations, birth certificates, and social security cards.

Mr. Huxen then discussed possible changes under the Method of Financing statute in R.S. 11:2227. He discussed two situations – municipalities that don't enroll members and report contributions when due and municipalities that have enrolled a member but does not file necessary contribution reports. He stated that currently the only solution for MPERS is to make a public records request to find out the earnings and sue the employer. Mr. Huxen discussed the approach used by sales tax agencies where they create a report estimating sales taxes owed for a company that does not report sales. Mr. Huxen also highlighted the problem that arises when an employer doesn't remit contributions and employees are ultimately required to pay their portion to MPERS. He stated that eventually he would like to see the employer be responsible for those contributions since they neglected to withhold them.

Major (Retired) Kelly Gibson asked if the problem was employers not submitting reports or not submitting payments. Mr. Huxen stated that often it involved not submitting reports and payments. He added that the bigger problem is employers not enrolling members.

The next item would be a constitutional amendment to add a \$1 fee on all tickets sold on sporting events, concerts, etc. held at publicly owned facilities.

Finally, Mr. Huxen stated that there had been discussions surrounding repealing R.S. 11:2220(J) in its entirety except for the required 60-day separation from service. He added that it could be limited to members with sufficient service or age. Mr. Huxen discussed other system rules for reemployed retirees. He stated that tying the statute to a limit on how much a rehired retiree can make would add administrative complications. Representative Bacala described his understanding of the rules for the Sheriffs' Pension & Relief Fund.

Mr. Huxen stated that the Attorney General's opinion stated that non-commissioned law enforcement officers who work for the police department would fall within the system's definition of employee. He stated that he expected to have a battle over that issue with New Orleans.



Mr. Huxen stated that the committee discussion in the prior month involved a police employee being hired by a municipality in a non-police position. He stated that there was interest in solving that problem. There was some feeling that a year wait was too long for that situation.

Representative Bacala asked how much the reversal of these rules would reverse the savings that were achieved in the past bill. Mr. Huxen stated that the original savings depended on causing people to work longer. He stated that Mr. DiMarco disagreed that the change would cause members to work longer.

Mr. Curran stated that truly understanding the cost of changes in reemployed retiree bills was difficult and that the best way to understand it was to test potential scenarios. What the actuary cannot know is what a member would have done without the change in statute. He stated that obviously if a member reaches a 100% accrual and can retire and return to work to double their pay, allowing the return to work without offsetting benefits would incentivize those members to retire at that point. He added that there was no other type of legislation that gives him more heartburn than rolling back protections related to reemployed retirees.

Mr. Curran stated that there would be cases where a change would not matter to plan cost. He stated that the worry would be that such a change could result in a change in retirement rates in the system which could lead to higher costs.

Representative Bacala asked if there was an outcry over this issue. Major (Retired) Gibson stated that he did hear from people across the state. He added that it was an issue of fairness.

Major Ray Burkart stated that all of this meant they needed another source of funding. He asked how much money could be generated from an additional fee on ticket sales. Mr. Huxen stated that they could try to estimate the sales if a bill was being drafted.

Representative Bacala suggested making reemployed retirees pay contributions to the system. Mr. Huxen stated that there may be an issue with non-police jobs where they must pay into another system like the Municipal Employees' Retirement System. The committee discussed employees in MPERS that are both enrolled in MPERS and in social security regarding social security reductions due to the Windfall Elimination Provision (WEP). Mr. Huxen stated that based on his knowledge, members who worked for a city for twenty years while in social security would not be reduced for WEP.

Mayor Landry asked what would keep the firefighters from wanting to add their own fee to ticket sales. Some of the Board expressed their opinion that they should act first. Representative Bacala stated that he would not expect a bill to add a fee to ticket sales to pass, but that he felt it could be done statutorily

instead of by constitutional amendment. Mayor Landry stated that he did not feel that a \$1 fee would be too large for most ticket holders.

Representative Bacala stated that he felt a tax, or a fee, would likely fail in committee, but he added that the system could always try. Major Burkart said that the mayors would not be helping themselves if they didn't try to promote this. Representative Bacala said a mayor could try it locally. For example, New Orleans could propose an ordinance to add an extra dollar for tickets at the Superdome. Mr. Huxen said that such a change would help a municipality fund their own contributions to MPERS, but that Major Burkart was thinking of this like the insurance premium taxes where they would be an added source of revenue that would lower every employer's contribution rate. Major Burkart discussed the problems with attracting new police officers. The committee discussed the difficulties in keeping academy graduates.

Representative Bacala stated on the topic of replacing Board members that the Board could use ex officio members to replace the active board members and ex officio members selected by retirees who would replace the retired board members. He added that it might be good to provide every employer with an annual statement showing their portion of the UAL debt. If a department would dissolve, this would put them on notice about the possible cost. Mr. Huxen stated that he agreed it would be a good idea, but pointed to the GASB liabilities that were already being picked up on each employer's financial statements. Mr. Curran stated that cities were allocated a portion of the liability each year and the issue with partial dissolution was that lowering their membership levels served to lower the percentage used to determine the amount that must be shown on their financial statements. The dissolution law was meant to keep them from doing that and causing other employers from being responsible for a larger share. Partial dissolution laws try to maintain equity between employers.

Representative Bacala stated that eventually a municipality could cease to exist and asked what MPERS would do with the debt owed. Mr. Huxen commented that the state appointed a subcommittee or task force to discuss those issues. He stated that the ultimate answer in the short-term would be that it would be picked up by the other municipalities. Mayor Landry stated that he had learned a lot working on the Board and suggested maybe a session on UAL at the LMA meetings.

Representative Bacala discussed whether cities could use surplus to pay off some of the retirement debt early. Mr. Huxen stated that they did not have the ability to deal with that at this time although he believed other states may have such mechanisms. Representative Bacala suggested perhaps allowing them to set up a special fund to pay down debts. He added that the state was using surplus to pay off state retirement system debt to reduce the interest owed on the debt.

Mr. Huxen stated that the sooner the system knew what they wanted to introduce the better. He confirmed that early January was the advertising deadline. He stated that at a minimum the committee should recommend that the Board authorize him to advertise for the bills being discussed and to continue the discussion at upcoming meetings.

**Motion by Lt. (Retired) Chad King, seconded by Major (Retired) Kelly Gibson, to recommend that the Board of Trustees authorize the Executive Director to advertise and seek authors for all bills necessary for the 2024 Regular Legislative Session, as described in Exhibit A, and presented by Mr. Huxen. Without objection, the motion carried.**

**F. Other Business**

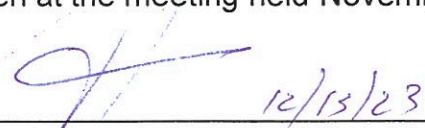
There was no other business brought before the committee.

**G. Adjourn**

**Motion by Lt. (Retired) Chad King, seconded by Major (Retired) Kelly Gibson, to adjourn the meeting at 10:22 a.m. Without objection, the motion carried.**

The next meeting date is TBD.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held November 15, 2023.

  
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Major Raymond Burkart, Jr.  
Legislative Committee Chairman

  
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Ben Huxen,  
Executive Director and General Counsel