

**Employees' Retirement System
of the
City of Baton Rouge
and
Parish of East Baton Rouge**



**Retirement Ordinances
Revised – October 2019**

**Baton Rouge, East Baton Rouge Parish, Louisiana, Code of Ordinances
Title I – Municipal and Parish Organization, Chapter 3 – Personnel
Part IV – Employees Retirement System**

Subpart 1. - General Provisions

Sec. 1:250. - Short title.

This part shall be known and cited as the "Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge." This retirement system was originally created by Ordinance No. 235 and Ordinance No. 276, effective December 31, 1953.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:251. - Definitions.

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

Accumulated contributions shall mean the sum of all the amounts deducted from the earned compensation of a contributing member, and credited to his individual account in the member mandatory contribution account.

Actuarial equivalent shall mean a benefit of equal actuarial value as calculated using such interest and mortality assumptions as shall be adopted by the board of trustees from time to time for this purpose. The interest and mortality assumptions approved by the board at any particular time shall be attached as an exhibit to the pension plan created by subpart 2, and any changes in those assumptions shall not reduce the benefit that any member had accrued as of the date of the change.

Average compensation shall mean the average annual earned compensation of a member, exclusive of severance pay, during which the earned compensation was the highest, for a period of thirty-six (36) successive months of service, in the case of members whose date of hire is prior to September 1, 2015, or for a period of sixty (60) successive months of service, in the case of members whose date of hire is on or after September 1, 2015. In the case of interruption of employment, the thirty-six-month period or the sixty-month period, whichever is applicable, may be computed by joining the employment periods immediately preceding and succeeding the interruption. "Average salary" shall have the same meaning as "average compensation," except as to period of service. The burden of providing the earned compensation or salary for any period of thirty-six (36) successive months or sixty (60) months, or for any other period of service required by the terms of this part shall be on the member. The board's decision as to the amount shall be final and conclusive.

Beneficiary shall mean any person or persons, or trusts, designated by a member, in receipt of or entitled to a member's accumulated contributions or DROP account.

Benefit reserve shall mean that fund necessary to meet current pension obligations.

Board of trustees or board shall mean the board of trustees provided for in the Charter (Plan of Government) and in section 1:253 of this subpart.

City-parish shall mean the consolidated government of the City of Baton Rouge and Parish of East Baton Rouge.

Code shall mean the Internal Revenue Code of 1986, as amended, and any successor thereof

Creditable service shall mean membership service for which credit is allowable under the provisions of this part.

Date of hire shall mean the most recent date of hire for an active member, inactive member, or vested nonmember, or the date of hire on which a service retiree's or a disability retiree's original pension calculation was based.

DROP interest shall mean interest at such rate or rates as shall be determined in accordance with section 1:271.

Disability retiree shall mean a former member who has terminated employment and is in receipt of a disability retirement allowance.

Earned compensation shall mean the annual compensation paid to any member for employment covered by this system, and on which member and employer contributions have been received by this system. No employer shall include in earned compensation any form of compensation not allowed by the city-parish for retirement purposes. Effective for years beginning on or after January 1, 1996, the annual dollar limit on compensation imposed by section 401(a)(17) of the code for any year shall apply to the earned compensation of each eligible and non-eligible participant, as applicable, to the extent required by guidelines issued by the Internal Revenue Service. For purposes of this paragraph, an eligible participant is any individual who first became a member of the retirement system before January 1, 1996. A non-eligible participant is any member who is not an eligible participant.

Employer shall mean the consolidated government of the City of Baton Rouge and Parish of East Baton Rouge, and includes the Office of the District Attorney for the Parish, the Family Court of the Parish, the Juvenile Court of the Parish, the Recreation and Park Commission, the Office of the Coroner for the Parish, Brownsfield Fire Protection District No. 3, Central Fire Protection District 4, Fire Protection District No. 6, Eastside Fire Protection District No. 5, and St. George Fire Protection District No. 2; provided that Central Fire Protection District No. 4, Eastside Fire Protection District No. 5, Fire Protection District No. 6 and St. George Fire Protection District No. 2 shall not be considered an employer for purposes of this part with respect to all employees hired after December 31, 1998, with the exception that any employee hired between January 1, 1999 and the date which is sixty (60) days after this amendment of ordinance becomes law, who was a member of the retirement system on or immediately prior to his date of hire, shall maintain membership in the retirement system

Employer contribution percentage shall mean the rates of contribution paid by employers, calculated by the addition of (1) the percentage required by subsection 1:253.N to this pension plan, (2) the adjusting percentages which are representative of a pro rata allocation of the obligation of any employer to any public retirement system, fund, or plan maintained primarily for officers and employees of the state or of any political subdivision thereof for the discharge of actuarial accrued liability of this pension plan as a result of the transfer of members of this pension plan to such other retirement system, fund or plan, or bonds issued in discharge of such an obligation, and (3) the adjusting percentage, if any, which is representative of an extraordinary actuarial gain or loss as determined by the board of trustees, and identifiable with an employer of the retirement system.

Excess benefit plan shall mean the unfunded, non-qualified plan created by the employer to provide benefits to members which would be provided under the pension plan but for the limitations imposed by section 415 of the code.

Maximum employer contribution percentage shall mean the greater of the rates of contribution paid by employers, calculated as provided under this section.

Member shall mean any person who is regularly employed by the employer, or who is participating in the deferred retirement option plan (DROP), and shall include the mayor-president, city constable, and coroner of the city-parish; and part-time council members under section 1:266. Provided, however, that any police employee as defined in R.S. 11:2213(11) initially employed by the employer on or after February 26, 2000, shall be excluded from membership in this retirement system, and shall be enrolled into the Municipal Police Employees' Retirement System of Louisiana. Any employee of the Recreation and Park Commission for the Parish of East Baton Rouge, as defined in section 1:259.H, shall be excluded from membership in this retirement system. In all cases of doubt, the board of

trustees shall have authority to decide who is a member within the meaning of subpart 2, and its decision shall be final and conclusive.

Except as provided below and as provided in subsections 1:259.A, B, C, and D, and in section 1:265, no member shall be deemed regularly employed on or after July 1, 1991, within the meaning of this definition, if such member (1) normally works less than thirty (30) hours per week or (2) normally works less than five (5) months in a calendar year, regardless of the number of hours worked per week. The restrictions of this paragraph shall not apply, however, to any member who was, on or prior to June 30, 1991, both (1) an actual member of the retirement system for whom all required contributions were made, and (2) regularly working fewer than thirty (30) hours per week.

Membership service shall mean service as a member rendered after the date of establishment of the retirement system and since last becoming a member, and on account of which all contributions have been made as required by this part.

Pension shall mean a series of periodic payments for life, payable in monthly installments, and shall refer both to benefits received on the basis of service and to benefits received during disability.

Pension plan shall mean the defined benefit plan created by the employer within the retirement system to provide monthly retirement allowances for its eligible members. The pension plan is intended to be a qualified plan within the meaning of section 401 of the code.

Public safety employee shall mean an employee/member who meets the definition of a public safety employee/officer as defined by the Pension Protection Act of 2006.

Retirement shall mean withdrawal or separation from employment with the right to a retirement allowance as provided for by this part.

Retirement allowance shall mean any pension payable by the retirement system

Retirement system shall mean the employees' retirement system of the City of Baton Rouge and Parish of East Baton Rouge, as defined in section 1:252.

Service shall mean employment as an employee and shall include all service as set forth in sections 1:260, 1:261, 1:262, and 1:263.

Service retiree shall mean a former member who has terminated employment and is in receipt of a service retirement allowance.

Supplemental pay shall mean extra pay to certain members paid by the state on a regular monthly basis, pursuant to Louisiana law, and on which member and employer contributions are paid into the retirement system

Survivor shall mean a surviving spouse, minor child, or unmarried dependent parent of a member, as provided for in section 1:270.

Vested member shall mean a contributing member whose date of hire is prior to September 1, 2015, who has not terminated employment with the employer, and (1) has completed not less than ten (10) years of creditable service, (2) has not reached the age of fifty-five (55) years, or has reached the age of fifty-five (55) years but has not retired, and (3) has not received a refund of member contributions from the system. For members whose date of hire is on or after September 1, 2015, vested member shall mean a contributing member who has not terminated employment with the employer, and (1) has completed not less than ten (10) years of creditable service, (2) has not reached the age of sixty (60) years for non-public safety employees, or fifty-five (55) years for public safety employees, or has

reached the age of sixty (60) years for non-public safety employees or fifty-five (55) years for public safety employees but has not retired, and (3) has not received a refund of member contributions from the system.

Vested non-member shall mean a former member whose date of hire is prior to September 1, 2015, who has terminated employment with the employer, and (1) has completed not less than ten (10) years of creditable service, (2) has not reached the age of fifty-five (55) years, or has reached the age of fifty-five (55) years but has not retired, and (3) has not received a refund of member contributions from the system. For members whose date of hire is on or after September 1, 2015, vested non-member shall mean a former member who has terminated employment with the employer, and (1) has completed not less than ten (10) years of creditable service, (2) has not reached the age of sixty (60) years for non-public safety employees, or fifty-five (55) years for public safety employees, or has reached the age of sixty (60) years for nonpublic safety employees or fifty-five (55) years for public safety employees but has not retired, and (3) has not received a refund of member contributions from the system

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 11384, § 1, 3-24-99; Ord. No. 11669, § 1, 2-23-00; Ord. No. 11772, § 1, 6-28-00; Ord. No. 11827, § 1, 8-23-00; Ord. No. 12053, § 1, 6-27-01; Ord. No. 12337, § 1, 6-12-02; Ord. No. 13042, § 1, 8-25-04; Ord. No. 15062, § 1, 12-8-10; Ord. No. 15762, § 1, 9-10-14; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:252. - Enactment and name.

A retirement system has been established and placed under the management of the board of trustees for the purpose of providing service retirement allowances and disability retirement allowances under the provisions of this part for all members as herein provided. The retirement system shall be known as the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge and shall include all pension plans and other retirement plans created by the employer. The retirement system began its operations as of December 31, 1953.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:253. - Administration.

A. The general administration and the responsibility for the proper operation of any retirement plans included within the retirement system and for making effective the provisions of this part are hereby vested in the board of trustees of the system.

B. The board shall consist of seven (7) members, as follows:

1. Two (2) members, other than police or fire service, who are elected by those members other than police or fire service; one (1) police service member elected by police service members; one (1) fire service member elected by fire service members. Each of the above members shall be elected under the rules and regulations adopted by the board to govern such elections, to serve a term of four (4) years, or until his employment terminates, whichever occurs first.

2. One (1) person appointed by the mayor-president.

3. Two (2) persons with business and accounting experience, who shall be appointed by the metropolitan council to serve for a term of four (4) years.

C. Reserved.

D. The members of the board shall serve without compensation, but they shall be reimbursed for all necessary expenses that they may incur through service on the board. The board shall employ classified and/or unclassified personnel as may be necessary to properly administer this system. In addition, the board may hire other persons such as accountants, actuaries, legal advisors, consultants, contract employees, and/or others as may be deemed necessary.

- E. Each member of the board shall be entitled to one (1) vote on matters coming before the board. Four (4) concurring votes shall be necessary for a decision by the trustees at a meeting of the board, and four (4) members shall constitute a quorum of the board.
- F. Subject to the limitations of this part, the board may establish from time to time such rules and regulations for the administration of the retirement system as may be necessary.
- G. The board shall keep in convenient form such data as shall be necessary for actuarial valuations.
- H. The board shall have prepared and submitted annually to the metropolitan council an audit report by an independent firm of certified public accountants, and an actuarial report.
- I. The board shall arrange for necessary physicians to review and perform all medical examinations required under the provisions of this part; such physicians shall be persons who are not eligible for membership in the retirement system. It shall be the physicians' duty to investigate all essential statements and certificates by or on behalf of members in connection with applications for disability retirement and to conduct any additional physical examinations they may deem necessary, and such physicians shall report in writing to the board their conclusions and recommendations on all matters referred to them
- J. The board shall designate an actuary who shall be the technical advisor to the board in matters regarding the operations of the funds created by the provisions of this part and who shall perform such other duties as are required in connection therewith.
- K. The board shall cause an independent actuarial valuation of each plan within the retirement system to be conducted annually.
- L. At least once in each five-year period, the board shall cause an actuarial experience study to be made of each funded plan within the retirement system.
- M. From time to time, the board shall adopt for the pension plan set forth in subpart 2 such mortality, service, and other tables as shall be deemed necessary, and shall certify the rates of contribution payable under the provisions of this part. On the basis of such tables, the actuary annually shall make an actuarial valuation of the assets and liabilities of the pension plan set forth in subpart 2 and of any other funded plan within the retirement system.
- N. There shall be paid annually by each employer a percentage contribution, as defined in section 1:251, on the earned compensation of all contributing members, said contribution to be approved by the board of trustees and certified to be deemed appropriate by the actuarial valuation. The portion, if any, necessary to meet the payments, due for the year, to members under the excess benefit plan shall be paid by separate check and deposited into a separate account until paid out at the direction of the board. The remaining funds shall be paid to the pension plan and credited to the pension accumulation account; provided, however, that no amount shall be paid to the pension plan to the extent that such amounts will never become distributed to members because of the limits under section 1:272.
- O. Appropriations: On or before the first day of September in each year, the board shall file with the metropolitan council its certification of the amount of the appropriation necessary to pay the employer contributions, which are creditable to the pension accumulation account of the pension plan for the year, the amount necessary to make payments under the excess benefit plan during the year, and the expense budget required to cover the expenses necessary in connection with the administration and operation of the retirement system. The amount so certified for the employer contributions shall be included as an appropriation in the annual budget. The metropolitan council shall appropriate such amount as shall be necessary to cover the benefits payments of the retirement system as provided for in the plan of government.

P. Management of funds:

1. The board shall be the trustee of the funds created by this part and shall have full power to invest and reinvest such funds, subject to all terms, conditions, limitations and restrictions of the "Prudent Man Rule" as defined by R.S. 9:2127 as it is currently written and as it may be amended from time to time; and subject to like terms, conditions, limitations, and restrictions, the board shall have full power to hold, purchase, sell, assign, transfer, and dispose of any of the securities and investments in which any of the funds created herein shall have been invested.

2. The board of trustees of the retirement system shall be the custodian of all the funds. All payments from such funds shall be made only upon regular vouchers signed by two (2) persons approved by the board. All expense vouchers and retirement allowance payroll shall be certified by the retirement system administrator or his designated representative.

3. Except as otherwise herein provided, no member or employee of the board shall have any direct interest in the gains or profits of any investment made by the board, nor shall any member of the board as such receive any pay or emolument for services. No member or employee of the board shall, directly or indirectly, for himself or as an agent, in any manner use the same, except to make such current and necessary payments as are authorized by the board of trustees.

4. The board shall prescribe which of its members and employees shall be adequately bonded and in what amount, pursuant to regulations adopted by the board. The premiums of the bonds shall be paid as an expense of the retirement system

Q. The funds of the pension plan and the excess benefit plan shall not be commingled, nor may expenses attributable to one (1) of those plans be paid from the assets of the other.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 11021, § 1, 11-25-97; Ord. No. 11827, § 1, 8-23-00; Ord. No. 13041, § 1, 8-25-04; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:254. - Assignments.

A. Except as provided in subsection B of this section, relating to qualified domestic relations orders, the rights of a person to a retirement allowance, a refund of contributions, or any other right accrued or accruing to any person under the provisions of any plan established under this part shall not be assigned and shall not be subject to execution, garnishment, or attachment, nor shall any amounts ever be transferred from one (1) plan established under this part to any other plan established under this part.

B. Subsection A of this section shall not preclude the payment to an alternate payee of all or a portion of a particular member's interest under the plan pursuant to a domestic relations order; provided, however, that any payment to an alternate payee shall reduce the retirement allowance or refund of contributions available to the member by the amount of such payment. For purposes of this section, "alternate payee" shall mean a spouse, former spouse, child, or other dependent of a member who is recognized by a domestic relations order as having a right to receive all, or a portion of the benefits under a plan established by this part.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:255. - Protection against fraud.

Whoever with intent to deceive shall make any statements or reports, or give any notices required under this part which are untrue, or shall falsify or permit to be falsified any record or records of this retirement system in any attempt to defraud this system as a result of such, shall be guilty of a misdemeanor, and on conviction thereof by any

court of competent jurisdiction, shall be punishable by a fine not to exceed five hundred dollars (\$500.00) or imprisonment in the parish jail not to exceed six (6) months, or both, at the discretion of the court.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:256. - Errors.

Should any change or error in the records be discovered or result in any member, retiree, survivor or beneficiary receiving from the retirement system more or less than he would have been entitled to receive had the records been correct, the board shall have the power to correct such error, and as far as possible, to adjust the payments in such manner that the actuarial equivalent of the benefit to which such member, retiree, survivor, or beneficiary was properly entitled is paid.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:257. - Amendments.

The metropolitan council shall have continuing power to amend this part, but no amendment shall be adopted that will reduce the then-accrued benefits of members of the retirement system, or their survivors or beneficiaries, as established by this part.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 16039, § 1, 8-12-15)

Subpart 2. - Pension Plan

Sec. 1:258. - Amendment of plan.

A. There is hereby established within the retirement system a separate defined benefit pension plan containing the provisions set forth below to hold the assets and continue to provide the benefits at the same level previously provided under the retirement system. The pension plan is intended to be a qualified pension plan within the meaning of section 401 of the Code and exempt from federal income taxes and shall always be construed in a manner consistent with ensuring the qualification of the plan under that section. The provisions of this part shall be effective on April 1, 1997, unless another effective date is provided, except that any provision required to comply with the qualification requirements of the Code shall be effective no later than the prospective date required by the relevant Code provision or any applicable Internal Revenue Service guideline.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 15062, § 1, 12-8-10; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:259. - Membership.

A. Membership of the pension plan shall consist of any person who was a member of the retirement system on March 31, 1997, and any person who becomes a member after that date. Such persons shall become members of the pension plan as a condition of their employment. Any person who simultaneously holds more than one (1) position of full-time employment with the employer shall be considered, for the purposes of pension plan participation, on both an employee and employer basis, as being employed in only one such position, at the irrevocable option of the member.

B. Membership in the pension plan shall cease when the member terminates employment.

C. Membership in the pension plan shall include, as of July 1, 1991, the positions of anti-drug task force coordinator, assistant to the anti-drug task force coordinator, research assistant to the anti-drug task force coordinator, clerk typist III for the anti-drug task force coordinator, program field coordinator of the street and road rehabilitation program, program manager for the street and road rehabilitation program, and recycling coordinator.

Those positions were contractual positions before July 1, 1991, and individuals holding those positions shall not be entitled to have or to obtain any credit for any service for any time spent in those contractual positions prior to July 1, 1991.

D. Membership in the pension plan shall include, as of December 14, 1988, the positions of three (3) assistant chief administrative officers; two (2) confidential secretary IIIs; and one (1) confidential secretary II, all within the office of the mayor-president of the city-parish.

E. Membership in the pension plan shall not include the position of judicial administrator of the district court for the parish; provided, however, that any person holding this position as of March 31, 1997, shall be allowed to continue membership until his termination of employment.

F. Membership in the pension plan shall not include assistant district attorneys employed by the office of the district attorney for the parish.

G. Membership in the pension plan shall not include student interns who by agreement or contract perform services for any department of the city-parish.

H. Membership in the pension plan shall not include any construction trade employees of the recreation and park commission for the parish during any period for which such employee is covered by a collective bargaining agreement that requires the employer to make contributions on his or her behalf to a multiemployer pension plan that is subject to the Employee Retirement Income Security Act of 1974, and any amendment thereto.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 13772, § 1, 10-11-06; Ord. No. 15762, § 1, 9-10-14; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:260. - Service credit, in general.

A member shall receive service credit based on actual time worked for which both member and employer contributions have been made. Periods of leave without pay are not included in service credit unless authorized by the board of trustees, and provided that both member and employer contributions have been remitted to the system. In no case shall more than one (1) year of service be creditable for all service in one (1) calendar year. A member may also receive service credit under section 1:261, 1:262, or 1:263.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:261. - Uniformed service creditable.

A. Notwithstanding any provision in this part to the contrary, effective January 1, 1974, any member who has not previously been granted credit for retirement purposes for active military service and who has attained three (3) years as a member of any plan within the retirement system shall, on presentation to the retirement board of satisfactory evidence of honorable discharge from the United States military, be granted up to three (3) years' credit for retirement purposes for his or her active military service from date of induction to date of separation. This credit shall be granted regardless of whether the member was employed prior to entering military service or was employed after leaving military service. Such military service shall be recognized and credit for the same given in only one (1) municipal, parochial, state, or federal retirement system

B. Notwithstanding any other provision of this part IV to the contrary, a member shall receive the contributions, benefits and service required with respect to qualified military service by section 414(u) of the Internal Revenue Code if such contributions, benefits or service are not provided under subsection A of this section. In no case may any member receive credit for the same service under both this subsection and subsection A of this section.

C. If a member dies while performing qualified military service as defined in Section 414(u) of the Internal Revenue Code, the beneficiaries of the member are entitled to any additional benefits (other than benefits relating to the period of qualified military service) that would have been provided if the member had returned to service and then died.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 15062, § 1, 12-8-10; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:262. - Separation benefits for unused accumulated vacation time and sick leave; conversion/payment.

A. Upon written agreement by a member or his surviving spouse, separation benefits relative to unused accumulated vacation time and sick leave shall be provided by the retirement system, as specified by this section. The aforesaid written agreement shall provide, in order to attain eligibility for separation benefits relative to unused accumulated vacation time and/or sick leave provided by the retirement system, for the waiver of severance benefits provided by the employer relative to the same unused accumulated vacation time or sick leave. No such separation benefits shall be provided by the retirement system if separation benefits relative to the same unused accumulated vacation time or sick leave are provided by the employer.

B. The provisions of this section shall be applicable only with respect to members of the retirement system whose application for retirement has been approved by the board, who elect to participate in the deferred retirement option plan, or who die, all as further provided herein below. In the determination of separation benefits provided by this section, ordinances and/or rules and regulations, and contractual provisions, of and relative to the employer, or any of its agencies, including civil service boards and/or commissions, relative to amounts of vacation time and sick leave that are earned, accumulated, and used, shall be applicable hereto, except that separation benefits so determined shall not exceed that determined by the application of said ordinances and/or rules and regulations, and contractual provisions, as such existed and read on April 1, 1997; however, the foregoing restrictions shall not be construed to prohibit the conversion of unused accumulated vacation time or sick leave (determined subject to said restrictions) to credit as provided by subsection C, paragraph 2, of this section. Limitations relative to vacation time or sick leave as allowed by the city-parish shall be used for retirement purposes in those cases where limitations for the employer are greater than those of the city-parish.

C. When a member applies for retirement, and is found to be eligible for such with or without the application of this section, or dies while still a member and before retirement, leaving a surviving spouse who is entitled to benefits under this part, the member or the surviving spouse may elect to have all unused accumulated vacation time and sick leave treated under either paragraph 1 or 2 below.

1. If this paragraph is chosen, an election shall be made to be paid by the retirement system for a portion of accumulated vacation time and sick leave, and to have a portion thereof converted to retirement credit, as follows. If this option is selected, the member, or his surviving spouse, shall be paid for that portion allowable; and the member's unused accumulated vacation time and sick leave which do not exceed the maximum amounts earned and accumulable, for which no payment is allowable, and which was earned while in employment covered by this system, all as certified by the department head of the member's department, shall be added to the member's membership service, the addition to be on the basis of one (1) service hour for each two (2) hours of unused accumulated vacation time or sick leave, adjusted on a calendar-year basis. The member, or his surviving spouse, shall have the option of selecting the hours for which to receive payment and for which to receive additional credit.

2. If this paragraph is chosen, an election shall be made to waive all payment for such unused accumulated vacation time or sick leave and convert same or all of such to retirement credit as follows. If this option is selected, that portion of unused accumulated vacation time or sick leave, as designated by the member or his surviving spouse, shall be added to the member's membership service, the addition to be on the basis of one (1) service hour for each hour of unused accumulated vacation time or sick leave.

D. Any unused accumulated vacation time or sick leave which is chosen to be converted to service credit shall be used in determining eligibility for retirement and benefits under this part. The added service shall also be used in calculating average compensation. For purposes of computing average compensation, it shall be assumed that the member's earned compensation at the time of retirement, entry to the deferred retirement option plan, or death, continues for the period of added service, with no increases in earned compensation for the period of added service. For purposes of this paragraph, earned compensation is limited to that compensation provided for (1) under the position of the member in the applicable pay plan of the employer, or (2) under a bona fide conditional appointment to another position while on leave from the position of (1) above.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 12171, § 1, 11-28-01; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:263. - Service credit following administrative error.

Whenever it is shown, to the satisfaction of the board, that, because of administrative error on the part of the employer, a contributing member of the retirement system has not received service credit, upon application of the member for all such credit, within ninety (90) days of his being officially informed by the retirement system of the error, and his payment to the retirement system of an amount equal to the member contributions that he should have made, he shall be credited with such service. If the member fails to so apply and commence payment within the aforesaid ninety-day period, or within any longer period necessary to comply with the limitations under section 415 of the Internal Revenue Code, his right to the service credit shall be forfeited. Upon application and payment by the member, the employer shall pay the retirement system an amount equal to the employer contributions that should have been made, plus interest at the actuarial valuation rate with respect to both member and employer contributions.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:264. - Method of financing.

All assets of the pension plan shall be credited, according to the purpose for which they are held, among the various accounts of the pension plan, including, but not limited to, the member mandatory contribution account, the pension accumulation account, the benefit reserve account, and the deferred retirement option plan account.

A. Member mandatory contribution account.

1. (a) The member mandatory contribution account shall be the account in which shall be accumulated all contributions by members. Except as provided by section 1:264.A.1.(b) or 1:264.A.1.(c), the contribution of each member of the retirement system shall be eight (8) percent of his earned compensation.

(b) Should the maximum employer contribution percentage provided under section 1:251 be set at seventeen (17) percent or more for any calendar year, the member contribution percentage for that calendar year shall be fifty (50) percent of the employer contribution percentage, rounded to the nearest one-hundredth (0.01) percent, but not more than nine and one-half (9½) percent. The provisions of this subsection shall be effective for calendar years after December 31, 2001.

(c) Should the maximum employer contribution percentage provided under section 1:251 be set at eight (8) percent or less for any calendar year, the member contribution percentage for that calendar year shall be set at the percentage identical to the employer contribution. The provisions of this subsection shall be effective for calendar years after December 31, 2001.

2. The board shall certify to the proper authority or officer responsible for making up the payroll, and the proper authority or officer responsible for making up the payroll shall cause to be deducted from the compensation of each member on each and every payroll, the percentage of his earned compensation, as stated in paragraph 1.

3. Every member shall be deemed to consent and agree to the deductions made and provided for herein, and receipt for his full salary or compensation and payment of salary or compensation, less the deduction, shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such person during the period covered by such payment, except as to the benefits provided under this part. The proper authority responsible for making up the payroll shall certify to the board on each and every payroll the amounts to be deducted; and each of such amount shall be deducted by the proper fiscal officer, and, when deducted, shall be credited in the member mandatory contribution account to the individual account of the member from whose compensation said deduction was made.

4. In addition to the contributions deducted from compensation as hereinbefore provided, any member may redeposit into the member mandatory contribution account, by a single payment or by an increased contribution, an amount equal to all or part of the total amount which he previously withdrew therefrom as provided in this subpart, subject to approval of the board, and under such rules as the board shall adopt regarding interest to be paid thereon.

5. The contributions withdrawn by a member, or paid by reason of his death or withdrawal from service, shall be charged to the member mandatory contribution account. Upon the retirement of a member, his accumulated contributions shall be transferred from the member mandatory contribution account to the benefit reserve account.

6. Member contributions otherwise required to be made to the pension plan shall be picked up by the employer. The employer shall pay the picked-up contributions to the retirement system from the same source of funds that is used in paying earnings to the members and such payments shall be in lieu of contributions by the employees. The employer shall pick up these contributions by a corresponding reduction in the cash salary of the employees, by an offset against future salary increases, or by any combination of salary reduction and offset against future salary increases. Members do not have the option of choosing to receive the contributed amounts directly instead of having them paid by the employer to the pension plan. Contributions picked up as provided herein shall be treated as employer contributions in determining the tax treatment of the amounts under the Code; however, they shall be treated for all other purposes as if they are part of the member's compensation which is deducted from his salary.

(a) The date of this amendment;

(b) The recommendation of an ordinance by the board of trustees of the employees' retirement system of the city-parish forwarded to the metropolitan council;

(c) The issuance of a ruling by the Internal Revenue Service, or a decision by a federal court, that, pursuant to section 414(h) of the code, these picked-up contributions are not included in the gross income of the members until such time as they are distributed; and

(d) The first payroll of the employer paid after January 1, 1998.

B. Pension accumulation account.

1. The pension accumulation account shall be the account in which shall be accumulated all income except contributions by members, payments made to the deferred retirement option plan, and allocations made to other accounts.

2. On the basis of the actuarial valuation, the board shall determine the rate of contributions necessary to provide sufficient funds for payment of all future retirement benefits throughout the remainder of the member's life (his benefit reserve).

3. All interest, dividends, and income earned or realized on the funds or property of the retirement system shall be credited to the pension accumulation account, which shall be a control account, and there shall also be credited to this account all gifts, bequests, or devices of money or property made for the benefit of the retirement system.

4. Upon the retirement of a member, an amount equal to his benefit reserve shall be transferred from the pension accumulation account to the benefit reserve account.

C. Benefit reserve account. The benefit reserve account shall be the account to which shall be charged the benefits and pensions on account of retired members, and benefits in lieu thereof. Should a retiree be restored to membership, his benefit reserve shall be transferred from the benefit reserve account to the member mandatory contribution account, to the extent member contributions remain, and his remaining benefit reserve shall be transferred from the benefit reserve account to the pension accumulation account.

D. Deferred retirement option plan account. The deferred retirement option plan account shall be the account in which shall be accumulated all payments, and interest allowed thereon, made pursuant to section 1:271.

E. Expenses. All administrative expenses of the retirement system shall be paid directly from the pension accumulation account of the retirement system

F. Withdrawal Liability Payments.

1. Should any geographical area of the City-Parish currently under management of the City-Parish successfully remove itself from the management of the City-Parish and become a new municipality or part of another governing area, causing a loss of revenue sources (including, but not limited to, ad valorem, property taxes, or sales taxes), that government servicing this geographical area (“New Government”) shall remit to this Retirement System that portion of the unfunded accrued liability existing on the December 31st immediately prior to:

(a) The date of which the New Government begins collecting the full revenue from its geographical area (if the New Government became a part of another governing area), or

(b) The date two years from the date of incorporation of the new municipality (if the New Government becomes a new municipality), in an amount which is equal to the pro rata share of General Fund Revenue to be derived from this geographical area averaged over the prior two years ending on such December 31st(calculated by taking a reasonable and good faith estimate of revenues for any year where the actual revenue numbers are unavailable) as a percentage of the actual total General Fund Revenue to the City Parish averaged over the prior two years ending on such December 31st (“New Government General Fund Revenue”). This revenue calculation shall be provided by the City-Parish.

2. The data to be used for the revenue calculation in paragraph (F)(1) is subject to verification by the payor. The City-Parish shall provide such revenue data to the New Government within ninety (90) days of the applicable date within paragraph 1 above (with an estimate to be provided at sixty (60) days.) Thereafter the New Government has a thirty (30) day period within which to review and approve this data. If it fails to object within this thirty (30) day period, it will be deemed to have accepted this data. If it objects, then the City-Parish’s Finance Department and the New Government’s accountant shall agree on a third accountant to review this revenue data. That accountant shall make an independent revenue calculation as provided in (F)(1). That decision will be binding as to the revenue data to be used in the calculation of pro rata share.

3. The New Government’s share of the Unfunded Accrued Liability (UAL) (the “Amount Due”) calculated pursuant to the provisions of this Section F shall include interest at the System’s valuation interest rate as of the date of the determination of the unfunded accrued liability. The Amount Due shall be determined by the System’s actuary. This calculation of the Amount Due shall be provided to the New Government, who may have its own actuary review the calculation and confer with the System’s actuary, within thirty days of presentation, on any basis for deviation from the original calculation prior to presentation to the System’s Board for final approval as noted

below. The Amount Due shall be paid at the option of the payor either in a lump sum or amortized over fifteen (15) years in equal monthly payments with interest at the Retirement System's valuation interest rate. The payments shall commence in January of the year following the adoption of the annual valuation report on which this Amount Due is calculated. The New Government's share of the UAL, and amortization payments, if applicable, shall be fixed as of the date of determination and shall not increase or decrease by post determination actuarial assumption changes, including, but not limited to, any change in the Retirement System's valuation interest rate. The New Government may pay the remaining amount due, as reasonably determined by the System's actuary, at any time. If the City-Parish contractually obligates itself to pay any or all of the Amount Due by the New Government, and a true and correct copy of that contract is presented to the System, then the System will look to the City Parish for payment of these sums.

4. The actuary for the System shall keep a record of the declining value of the UAL obligation of the New Government.

5. Nothing in this provision otherwise restricts the power of the Board of Trustees for the System to adopt reasonable actuarial assumptions for the management and funding of the plan.

6. Should the payor fail to make payment timely, the amount due shall be collected as follows:

(a) Any tax collecting agency that otherwise owes collected tax funds to the government servicing this geographical area shall be authorized without further executive or legislative action to forward these funds to the Retirement System up to the amount then due to the System as withdrawal liability under this sub-section.

(b) Without further executive or legislative action, any state revenue sharing money may also be paid directly to the System to satisfy any withdrawal liability then due under this sub-section.

(c) Delinquent payments due under this paragraph may, with interest at the Retirement System's valuation interest rate compounded annually, be recovered by action in a court of competent jurisdiction against the entity representing this new geographical area as an alternative or additional remedy for collection of all sums due.

7. For the purposes of determining the withdrawal liability owed, the actuary for the Retirement System shall recommend the amount to the Board of Trustees.

(Ord. No. 11019, § 1, 11-25-97; Ord. No. 11020, § 1, 11-25-97; Ord. No. 11827, § 3, 8-23-00; Ord. No. 15062, § 1, 12-8-10; Ord. No. 16039, § 1, 8-12-15; Ord. No. 17171, § 1, 10-9-19)

Sec. 1:265. - Benefits.

A. Service retirement allowance.

1. Any member of the system whose date of hire is prior to September 1, 2015, and who has reached the age of fifty-five (55) years, and who has not less than ten (10) years of service, or any member of the system whose date of hire is on or after September 1, 2015, and who has reached the age of sixty (60) years for non-public safety employees, or fifty-five (55) years for public safety employees, and who has not less than ten (10) years of service; or any member of the system who has not less than twenty (20) years of service, regardless of age, is eligible to retire under the provisions of this part, and may submit his written application to the board setting forth at what time, not less than thirty (30) days nor more than ninety (90) days subsequent to the execution and filing thereof that he desires to be retired. Vested non-members shall not be subject to the time limitations on retirement applications contained in this subsection.

2. In the case of retirement from service of any member of the system whose date of hire is prior to September 1, 2015, his retirement allowance shall be computed in accordance with the applicable provisions of paragraph 3 of this subsection with full retirement, regardless of age, with twenty-five (25) years of service, but the total retirement

allowance therein provided for members with less than twenty-five (25) years' service shall be reduced three (3) percent for each attained year of age below fifty-five (55).

In the case of retirement from service of any member of the system whose date of hire is on or after September 1, 2015, his retirement allowance shall be computed in accordance with the applicable provisions of paragraph 3 of this subsection with full retirement at age fifty-five (55) for non-public safety employees with twenty-five (25) years of service, or at age fifty (50) for public safety employees with twenty-five (25) years of service, but the total retirement allowance therein provided for members with less than twenty-five (25) years' service shall be reduced to an actuarial equivalent benefit for commencement prior to the attained age of fifty-five (55) years for non-public safety employees and fifty (50) years for public safety employees.

3. Service retirement allowances for members of the system: For all members of the system whose date of hire is prior to September 1, 2015, having not less than twenty-five (25) years of service at any age, service retirement allowances shall be computed at three (3) percent of their average compensation multiplied by the number of their years of creditable service. Members of the system who do not have twenty-five (25) years of service credit, but who have a minimum of ten (10) years' service at age fifty-five (55), shall receive a retirement allowance equal to two and one-half (2½) percent of their average compensation multiplied by the number of their years of creditable service.

For all members of the system whose date of hire is on or after September 1, 2015, having not less than twenty-five (25) years of service at age fifty-five (55) for non-public safety employees, or age fifty (50) for public safety employees, service retirement allowances shall be computed at three (3) percent of their average compensation multiplied by the number of their years of creditable service. Members of the system who do not have twenty-five (25) years of service credit, but who have a minimum of ten (10) years' service at age sixty (60) for non-public safety employees, or age fifty-five (55) for public safety employees shall receive a retirement allowance equal to two and one-half (2½) percent of their average compensation multiplied by the number of their years of creditable service.

4. The sum of the service retirement allowances set forth in paragraph 3 of this subsection shall not exceed an amount equal to ninety (90) percent of the member's average compensation.

B. Employment of service retirees by employer. The provisions of this subsection govern the consequences of the employment of a service retiree by an employer of this pension plan. The provisions of subsections 1:265.B.2. and 4. shall not apply to a service retiree who participated in the deferred retirement option plan.

1. When a service retiree is regularly employed by an employer of this pension plan, his retirement benefit shall not cease if (a) he is required to contribute to a governmental pension plan other than the retirement system by virtue of such employment, or (b) he would be required to contribute to a governmental pension plan other than the retirement system by virtue of such employment, but is ineligible for membership under the provisions of the particular governmental pension plan.

2. He shall resume contributing membership in the retirement system unless (a) contributing membership in a governmental pension plan other than the retirement system is mandated, or (b) contributing membership in a governmental pension plan other than the retirement system would be mandated but for ineligibility for membership under the provisions of the particular governmental pension plan.

3. Upon subsequent re-retirement, his original retirement benefit shall resume, without change. He may not change any optional allowance that was originally selected.

4. Upon subsequent re-retirement, and provided contributing membership in the retirement system was allowed during such employment, he shall receive an additional retirement benefit based on his additional service, using the normal method of computation of benefits, subject to the following:

(a) If the date of hire related to his original retirement was prior to September 1, 2015, and his period of re-employment was less than thirty-six (36) months, or if his date of hire related to his original retirement was on or after September 1, 2015, and his period of reemployment was less than sixty (60) months; the average compensation figure used to calculate the additional benefit shall be that used to calculate his original benefit.

(b) If the date of hire related to his original retirement is prior to September 1, 2015, and his period of re-employment was thirty-six (36) or more months, or if the date of hire related to his original retirement was on or after September 1, 2015 and his period of reemployment was sixty (60) or more months, the average compensation figure used to calculate the additional benefit shall be based on his average compensation during the period of reemployment, provided that this average compensation is greater than that used to calculate his original benefit.

(c) If his original benefit was computed using a three (3) percent factor, a three (3) percent factor shall be used to compute the additional benefit.

(d) If his original benefit was computed using a two and one-half (2½) percent factor, a two and one-half (2½) percent factor shall be used to compute the additional benefit if the years of creditable service applicable to his original retirement, when combined with the years of service applicable to his period of re-employment, would not normally entitle him to the use of a three (3) percent factor.

(e) If his original benefit was computed using a two and one-half (2½) percent factor, a three (3) percent factor shall be used to compute the additional benefit if the years of creditable service applicable to his original retirement, when combined with the years of service applicable to his period of re-employment, would normally entitle him to the use of a three (3) percent factor.

(f) If his original benefit was computed using a factor other than a two and one-half (2½) percent or three (3) percent, the percentage factor used to compute the additional benefit shall be that which would be applicable to a person of the same age who has credit for the sum of the re-retiree's years of original creditable service and additional creditable service.

(g) The optional allowance used shall be that applicable to the original benefit.

(h) In no event shall the additional benefit exceed an amount which, when combined with the original benefit, equals ninety (90) percent of the re-retiree's average compensation figure used to compute the additional benefit.

5. If he dies or becomes disabled during the period of re-employment, he shall be considered as having re-retired on the date of death or commencement of disability.

6. A service retiree who participated in the DROP shall, in addition to the prohibition of subsection 1:265.B.1., not be entitled to any distribution of his DROP account during the period of re-employment; provided that a service retiree who participated in the DROP shall be entitled to distribution of his DROP account, pursuant to the pension plan and board policies, if (a) he is required to contribute to a governmental pension plan other than the retirement system by virtue of such employment, or (b) he would be required to contribute to a governmental pension plan other than the retirement system by virtue of such employment, but is ineligible for membership under the provisions of the particular governmental pension plan. In any event, interest on DROP accounts shall be credited during the period of re-employment.

C. Optional allowances:

1. Any member entitled to a service retirement allowance or a service-connected disability retirement allowance may elect to receive an optional allowance, provided that any such election must be made before the first payment of his retirement allowance normally becomes due, or before the first payment into the member's deferred retirement option plan account has been made.
2. The optional allowance is the actuarial equivalent of the member's regular retirement allowance at the time of his retirement and consists of a reduced retirement allowance payable throughout his life, with the provision that:
 - (a) Option 1: If he dies before he has received retirement benefits exceeding the amount of his member contributions as of the date of his retirement, the balance shall be paid to such person or persons as he shall nominate by written designation duly acknowledged and filed with the board or, if none, to his legal representative.
 - (b) Option 2: Upon his death, one-half ($\frac{1}{2}$) of his reduced retirement allowances shall be continued through the life of and paid to such person as he shall have nominated by written designation duly acknowledged and filed with the board at the time of his retirement.
 - (c) Option 2A: Upon his death, one-half ($\frac{1}{2}$) of his reduced retirement allowance shall be continued through the life of and paid to such person as he shall have nominated by written designation duly acknowledged and filed with the board at the time of his retirement, provided that if the designated beneficiary predeceases the retiree, the retiree's reduced benefit shall change to the maximum benefit effective on the first day of the next month following the death of the designated beneficiary.
 - (d) Option 3: Upon his death, seventy-five (75) percent of his reduced retirement allowance shall be continued through the life of and paid to such person as he shall have nominated by written designation duly acknowledged and filed with the board at the time of his retirement.
 - (e) Option 3A: Upon his death, seventy-five (75) percent of his reduced retirement allowance shall be continued through the life of and paid to such person as he shall have nominated by written designation duly acknowledged and filed with the board at the time of his retirement, provided that if the designated beneficiary predeceases the retiree, the retiree's reduced benefit shall change to the maximum benefit effective on the first day of the next month following the death of the designated beneficiary.
 - (f) Option 4: Upon his death, his reduced retirement allowance shall be continued through the life of and paid to such person as he shall have nominated by written designation duly acknowledged and filed with the board at the time of his retirement.
 - (g) Option 4A: Upon his death, his reduced retirement allowance shall be continued through the life of and paid to such person as he shall have nominated by written designation duly acknowledged and filed with the board at the time of his retirement, provided that if the designated beneficiary predeceases the retiree, the retiree's reduced benefit shall change to the maximum benefit effective on the first day of the next month following the death of the designated beneficiary.
 - (h) Option 5: Upon his death, benefits may be paid to such person or persons as he shall have nominated provided such other benefit or benefits, together with the reduced retirement allowance, shall be certified by the retirement system actuary to be of equivalent actuarial value to his retirement allowance, and approved by the board.
3. No option shall become effective until thirty (30) days after application for retirement, and no change in the option selected shall be permitted after the application has been approved by the board.
4. When an amount is to be determined on the basis of actuarial assumptions that are not specifically prescribed by part IV or by the Code or related income tax regulations, the actuarial assumptions shall be the

earnings and mortality assumptions being used on the date of the determination. These assumptions may be changed only upon recommendation of the retirement system's actuary and approval by the board and shall be attached as an addendum to a copy of this part IV.

D. Disability retirement allowances.

1. Disability retirement, service-connected.

(a) In the case of retirement from service of any contributing member of the system as a result of disability incurred in the course and scope of such member's employment with the employer, the member shall receive a service-connected disability retirement allowance equal to fifty (50) percent of the member's average compensation.

(b) Additionally, any contributing member who is entitled to the benefit provided by section 1:265(D)(1)(a), and who has not less than ten (10) years of service, shall receive a supplemental disability retirement allowance of one and one-half (1½) percent of the member's average compensation for each year of service in excess of ten (10) years, this additional benefit not to exceed forty (40) percent of the member's average compensation.

2. Disability retirement, ordinary. In the case of retirement from service of any contributing member of the system which is not as a result of disability incurred in the course and scope of such member's employment with the employer, and provided the member has not less than ten (10) years of service, the member shall receive an ordinary disability retirement allowance equal to two and one-half (2½) percent of the member's average compensation for each year of service, this benefit at a minimum to be fifty (50) percent of the member's average compensation.

3. Application for disability retirements shall be submitted by contributing members, along with a report from the member's physician certifying that the member's disability totally incapacitates the member from further performance of his normal duties. Upon such application, the retirement system shall notify the member's employer of the application for the purpose of compliance by the employer with the requirements of section 1:470 of the Code of Ordinances of the City of Baton Rouge and Parish of East Baton Rouge. Provided that the board's physician or physicians shall certify that the member is mentally or physically totally incapacitated from the further performance of his normal duties, that such incapacity is likely to be permanent, and that the member should be placed on disability retirement, the board shall approve the member's application for a disability retirement allowance. Any disability must have been incurred after commencement of membership service, and disabilities existing prior to becoming a member shall not be approved.

4. In the case where an individual is eligible for a normal service benefit, he may, at the time of application for retirement, elect to receive either the disability retirement or the service retirement if he is found eligible for disability retirement.

E. Re-examination of disability retirees.

1. The provisions of subparagraph (a) of this paragraph shall apply to disability retirees whose application for disability was filed with the retirement system on or before April 30, 2004, whereas the provisions of subparagraph (b) of this paragraph shall apply to disability retirees whose application for disability was filed with the retirement system after April 30, 2004.

(a) Once each year during the first five (5) years following retirement of a member on a disability retirement allowance, and once in every three-year period thereafter, the board shall require any disability retiree to undergo a medical examination by the board's physician or physicians unless future medical examinations are deemed unnecessary by the board's physician or physicians. Should any disability retiree refuse to submit to such medical examination(s), his retirement allowance may be suspended; and at the expiration of six (6) months, all his rights in and to a pension, including that portion previously suspended, shall be revoked by the board.

(b) Disability retirees shall be subject to periodic reexaminations by the board's physician or physicians to determine if a disability has ceased to exist. Reexaminations shall not be required of a disability retiree more than twice in any calendar year.

2. Should it appear from a medical examination that a disability retiree is able to return to employment in accordance with the provisions of section 1:470. then his disability allowance shall be discontinued, and he shall be returned to employment; but the disability allowance shall continue until the employee is actually restored to such employment.

F. Pension offset by compensation benefits.

1. Any amounts that may be paid or payable under the provisions of any worker's compensation statute or similar state law to a member or to the dependents of a member on account of any accidental disability or accidental death, shall, in such manner as the board shall approve, be offset against and payable in lieu of any pension payable out of funds provided by the employer under the provisions of the retirement system on account of the same accidental disability or on account of death.

2. The board of trustees shall have complete discretion and authority to determine the extent and application of the provisions of this section and shall have authority to terminate the pension if the employee fails to furnish full and complete information. The decision of the board shall be final and conclusive.

G. Pension offset by earned income.

1. The provisions of this subsection shall apply to disability retirees whose application for disability was filed with the retirement system after April 30, 2004.

2. All disability retirees shall submit to the board by May 1 of each year a notarized annual earnings statement disclosing earned income from all employment in the prior calendar year. Should a disability retiree fail to submit the required statement, his disability retirement allowance shall be suspended, without retroactive disbursement, until such time as the earnings statement is filed. In the event the disability retiree fails to submit the required statement before the end of the calendar year, his disability retirement allowance may be permanently revoked by the board. The board shall have the authority to audit the required statement, including additional requirements to submit the retiree's federal income tax return and reporting documents associated therewith, and any other information required in the discretion of the board.

3. Should the board determine that a disability retiree is engaged in gainful employment earning more than the difference between his gross disability retirement allowance and average compensation, then the amount of the disability retirement allowance shall be reduced one dollar (\$1.00) for each dollar earned in excess of any such difference. This offset shall be computed independently for each calendar year.

4. A disability retiree whose application for disability was filed with the retirement system on or before April 30, 2004 may elect at any time, in writing, to voluntarily subject himself to the provisions of this subsection, and as a consequence, reexaminations for that disability retiree shall be governed by section 1:265.E.1(b) in lieu of subsection 1:265.E. 1(a)

H. For a member hired, rehired, or elected on or after January 1, 2013, the receipt of a public retirement benefit is conditioned upon honorable service as a public official or employee, and retirement benefits of a member, spouse, and child(ren) may be forfeited if the employee is convicted of a public corruption crime under the provisions of Louisiana Legislative Acts 479 and 868 of the 2012 regular session of the Louisiana legislature.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 11773, § 1, 6-28-00; Ord. No. 12936, § 1, 4-28-04; Ord. No. 15062, § 1, 12-8-10; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:266. - Part-time council members.

- A. Retirement allowances shall be provided for part-time metropolitan council members, or any predecessor council members, retroactive to December 31, 1976, in the following manner:
1. Fifty (50) percent retirement allowance accrued after attaining eight (8) years of service and age fifty-five (55);
 2. Seventy-five (75) percent retirement allowance accrued after attaining twelve (12) years of service and age fifty-five (55);
 3. Ninety (90) percent retirement allowance accrued after attaining sixteen (16) years of service and age fifty-five (55).
- B. If a metropolitan council member becomes employed in a full-time position eligible for membership under this part, he shall be eligible for the benefits provided under the pension plan for members who are not part-time council members, and shall no longer be eligible for the benefits provided for in subsection A of this section.
- C. Council members retain eligibility for all benefits provided under the pension plan for members who are not part-time council members if greater than those provided for in subsection A of this section.
- D. The retirement allowances provided for by this section shall not be applicable to any person who first serves as a part-time council member on or after January 1, 1997.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:267. - Accumulated contributions following termination of employment—General.

- A. Whenever a member terminates employment, but does not retire, he shall be entitled, upon demand, to receive from the pension plan a sum equal to his accumulated contributions without interest.
- B. Under such regulations as may be prescribed by the board, a member who terminates employment and has not completed at least ten (10) years of creditable service, may, for not more than five (5) years after his termination of employment, leave his accumulated contributions on deposit with the pension plan, thereby retaining his creditable service. If he dies while his contributions are on deposit, and he has not returned to service, an amount equal to such contributions shall be paid without interest to his designated beneficiary or beneficiaries, if any, or otherwise to his estate.
- C. Purchase of service credit.
1. A member who has an amount equal to his accumulated contributions refunded to him by the pension plan, who then re-enters service, may repay, under such regulations as may be prescribed by the board, the amount previously received by him as a refund, together with interest from date of refund to date of commencement of repayment. Upon such payment, the creditable service relative to the refund shall be restored.
 2. Effective January 1, 2002, purchase of service credit under this section shall be allowed by a trustee-to-trustee transfer of funds from a code section 403(b) annuity or a code section 457 plan to the pension plan; provided that no purchase of service credit under this section shall be allowed by a trustee-to-trustee transfer of funds from a code section 403(b) annuity or a code section 457 plan to the pension plan after December 31, 2010.
- D. A member shall not be charged interest from the date of commencement of the refund repayment, provided he repays at a rate of at least fifty dollars (\$50.00) per pay period for a period not to exceed four (4) years, and

further provided that the four-year repayment is in equal installments that result in no more than one-third (1/3) of the beginning repayment balance remaining due after such four-year period. Any amount that remains unpaid at the end of the four-year period shall be paid with interest at the assumed actuarial investment rate of return in equal installments over the immediately following two-year period. If the member, prior to completing the repayment, dies, his surviving spouse shall have the option to complete the repayment, under the same terms as were set for the member, and receive benefits on account of the restored credit, once paid in full. If the entire refund repayment and any required interest is not made in accordance with this subsection, any amounts that have been paid shall be returned to the member or surviving spouse and no service credit shall be allowed for the original period of the member's employment; and the member or surviving spouse shall not be allowed to repay the contributions refunded unless payment is made in one (1) lump sum representing the refund plus interest.

E. Notwithstanding any provisions to the contrary contained in subsection C of this section, but otherwise in accordance therewith, whenever a member who terminates employment as the result of a reduction in force, as referenced in section 4 of rule X of the Rules Governing Employees in the Classified Service of the City of Baton Rouge and Parish of East Baton Rouge, is re-employed, he may repay an amount previously received by him as a refund, without any interest being due for the period of time commencing with the date the refund was made and terminating one (1) year after the date of re-employment.

F. Whenever a contributing member dies, and benefits under section 1:270.A, B, C, or D, are paid to a surviving spouse, minor child, or unmarried dependent parent of the member, his accumulated contributions shall be paid to his designated beneficiary or beneficiaries, if any, or otherwise to his estate, but only to the extent that contributions remain after the payment of such benefits.

G. Whenever a contributing member dies and a refund of the member's contributions is paid to a surviving spouse under section 1:270.A or B, no refund of member contributions shall be paid to any designated beneficiary or beneficiaries.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 12172, § 1, 11-28-01; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:268. - Accumulated contributions following termination of employment—Vested non-members.

A. Except as provided by subsection D of this section, whenever a member who has completed at least ten (10) years of creditable service terminates employment, but does not retire, he may leave his accumulated contributions on deposit with the pension plan, and any service certificate issued to him shall remain in effect.

B. A member who participates in the pension plan and who leaves his accumulated contributions on deposit as allowed by subsection A of this section, and whose date of hire is prior to September 1, 2015, shall be eligible to receive a benefit when he attains the age of fifty-five (55) years. For a member whose date of hire is on or after September 1, 2015, he shall be eligible to receive a benefit when he attains the age of sixty (60) years for a non-public safety employee, or fifty-five (55) years for a public safety employee. The retirement allowance shall be the benefit earned and accrued at the date of withdrawal from service.

C. An amount equal to the accumulated contributions of a member who leaves such contributions on deposit in the pension plan and who dies prior to eligibility for retirement shall be paid to his designated beneficiary or beneficiaries, if any, otherwise to his estate.

D. The provisions of subsection A of this section shall be inapplicable with respect to a member who is dismissed from service because of conviction of a felony in the performance of his official duties. For a member hired, rehired, or elected on or after January 1, 2013, the receipt of a public retirement benefit is conditioned upon honorable service as a public official or employee, and retirement benefits of a member, spouse, and child(ren) may

be forfeited if the employee is convicted of a public corruption crime under the provisions of Louisiana Legislative Acts 479 and 868 of the 2012 regular session of the Louisiana legislature.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:269. - Retirement benefit adjustments.

A. Except as excluded by the provisions of subsections B and C of this section, and section 1:270.H of this subpart, during July of each year, any person who has, on July 1 of that year, been receiving benefits from this pension plan, as a retiree of this pension plan, or as a surviving spouse of a retiree of this pension plan in an individual capacity, for at least one (1) year, shall receive a lump-sum retirement benefit adjustment payment from this pension plan. This payment shall be in a base amount of six hundred dollars (\$600.00) annually, effective July 1, 1992. Also, for each additional year beyond one (1) year for which the person has been receiving benefits from this system on July 1 of that year, the base amount shall be increased by thirty dollars (\$30.00). The payments originally provided for hereby were initiated in July, 1989.

B. The provisions of this section shall be inapplicable with respect to any person receiving benefits from this system if the person whose membership resulting in the benefits being paid participates or participated in the deferred retirement option plan of the pension plan.

C. The provisions of this section shall be inapplicable relative to any person who retired from this system after December 31, 1989.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:269.1. - Supplemental benefit payments.

A. The board of trustees is authorized to use actuarial returns on retirement system assets in excess of the assumed actuarial rate of return, as determined by the retirement system actuary, and certain payments formerly made under section 1:269, and payments received by the retirement system under R.S. 11:1862(B)(3) commencing in 2006, for the purpose of providing certain eligible retirees and survivors of retirees with a lump sum supplemental benefit payment, to be paid in September if declared payable in June, subject to the requirements of this section.

1. The benefits authorized by this section may be reserved under one (1) or more of the following circumstances:

(a) One-tenth (1/10) of up to the first two (2) percent of actuarial returns in excess of the assumed actuarial rate of return for any calendar year, provided the aggregate experience of the retirement system is positive as certified in the applicable actuarial report.

(b) One-twentieth (1/20) of actuarial returns above the first two (2) percent in excess of the assumed actuarial rate of return for any calendar year, provided the aggregate experience of the retirement system is positive as certified in the applicable actuarial report.

(c) The difference between the payments made under section 1:269 in July of each calendar year and the payments made under section 1:269 in July, 2002.

(d) The payment received by the retirement system under R.S. 11:1862(B)(3) commencing in 2006.

2. The benefits authorized by this section may be paid only when the board of trustees in its discretion determines that a supplemental benefit payment be declared from the reserve established herein, and any payments

made in a prior year or years are not guaranteed by either the amount paid, or the formulation utilized to compute such payments.

B. The board of trustees shall adopt such rules, regulations, and procedures as it may deem necessary to effect the provisions of this section.

C. A retiree, or his survivor, shall have been retired for at least one (1) year as of June 30 of the calendar year in which a supplemental benefit payment is declared in order to be eligible. Eligibility shall not guarantee payment, and is dependent on the formulation utilized to compute such payments.

D. Any supplemental benefit payment declared by formal action of the board of trustees as authorized herein shall be considered as an amendment to the provisions of the retirement system.

E. Funds reserved as authorized by this section shall be held for the exclusive purpose of payment of the benefits provided herein

(Ord. No. 12814, 11-25-03; Ord. No. 13760, § 1, 9-27-06; Ord. No. 13760, § 1, 9-27-06; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:270. - Survivor benefits.

A. Whenever a contributing member who either is eligible for retirement, or has at least twenty (20) years of creditable service, dies prior to retirement, or prior to the effective date of an election to participate in the deferred retirement option plan, and who is survived by a spouse to whom the member was legally married immediately prior to the death of the member, the surviving spouse shall, at the surviving spouse's election—the election to be designated in writing and notarized either receive benefits under section 1:265.C as if the member had elected a one hundred (100) percent joint and survivor option and retired on his date of death, with no adjustment for commencement before age fifty-five (55) for non-public safety employees, or age fifty (50) for public safety employees, or receive a refund of the member's contributions without interest.

B. Whenever a contributing member dies on or after May 24, 1989, and the provisions of subsection A of this section are inapplicable, a surviving spouse who was legally married to the member immediately prior to his death shall either receive the sum of six hundred dollars (\$600.00) per month for as long as, and providing that, the surviving spouse does not remarry, or receive a refund of the member's contributions without interest; provided, however, that the surviving spouse of a contributing member who died prior to May 24, 1989, shall receive, effective July 1, 2002, an increase from two hundred fifty dollars (\$250.00) to six hundred dollars (\$600.00) per month for as long as, and providing that, the surviving spouse does not remarry.

C. If a contributing member is survived by one (1) or two (2) children who are under the age of eighteen (18), the sum of one hundred fifty dollars (\$150.00) per month shall be paid on behalf of each child until the child reaches the age of eighteen (18) years. If the member is survived by more than two (2) such children, the sum of three hundred dollars (\$300.00) per month shall be paid on their behalf equally among them for so long as benefits are being paid on behalf of more than two (2) children, the payments to become the sum of one hundred fifty (\$150.00) per month per child whenever payments cease to be paid on behalf of more than two (2) such children.

D. If neither subsection A nor B, nor subsection C, of this section is applicable, but a contributing member is survived by an unmarried parent claimed as a dependent on the member's last federal income tax return, the unmarried parent, for so long as, and providing that, the parent does not remarry, shall be paid the sum of one hundred fifty dollars (\$150.00) per month.

E. The refund option provided for in subsection A or B of this section shall be limited to that amount that remains after the payment of minor child or unmarried dependent parent benefits, if any, under subsections C or D of this section.

F. Whenever a service retiree, whose date of hire on which his retirement was based was prior to September 1, 2015, dies leaving a surviving spouse to whom the service retiree was legally married for at least two (2) years immediately prior to death, the surviving spouse shall be entitled, for life, to a monthly benefit equal to fifty (50) percent of the monthly benefit that was being paid to the service retiree; provided, however, that a surviving spouse to whom the service retiree was legally married immediately prior to his death shall be entitled to the benefit provided for under this subsection if the surviving spouse was legally married to the service retiree on his date of service retirement. The provisions of this subsection shall be inapplicable with respect to any former regular plan service retiree who retired prior to July 1, 1972, and with respect to any former police or fire service plan retiree who retired prior to January 1, 1974, and with respect to any service retiree whose date of hire on which his retirement was based was on or after September 1, 2015.

G. Whenever a member, whose date of hire on which his deferred retirement was based was prior to September 1, 2015, and who has participated in the deferred retirement option plan, but has not retired, dies, leaving a surviving spouse to whom the member was legally married for at least (2) years immediately prior to death, the surviving spouse shall be entitled, for life, to a monthly benefit equal to fifty (50) percent of the monthly benefit that was being credited to the member's DROP account; provided, however, that a surviving spouse to whom the member was legally married immediately prior to his death shall be entitled to the benefit provided for under this subsection if the surviving spouse was legally married to the member on the effective date of his DROP participation. The provisions of this subsection shall be inapplicable with respect to any member participating in the deferred retirement option plan whose date of hire on which his deferred retirement was based was on or after September 1, 2015.

H. Whenever a service-connected disability retiree, whose date of hire on which his retirement was based was prior to September 1, 2015, dies leaving a surviving spouse to whom the service-connected disability retiree was legally married for at least two (2) years immediately prior to death, the surviving spouse shall be entitled, for life, to a monthly benefit equal to fifty (50) percent of the monthly benefit that was being paid to the service-connected disability retiree; provided, however, that a surviving spouse to whom the service-connected disability retiree was legally married immediately prior to his death shall be entitled to the benefit provided for under this subsection if the surviving spouse was legally married to the service-connected disability retiree on his date of service-connected disability retirement. Retirement benefit adjustments provided under section 1:269 shall be inapplicable with respect to a surviving spouse receiving benefits under this subsection. The provisions of this subsection shall be inapplicable with respect to any former regular plan service-connected disability retiree who retired prior to July 1, 1972, and with respect to any former police or fire plan service-connected disability retiree who retired prior to January 1, 1974, and with respect to any service-connected disability retiree whose date of hire on which his retirement was based was on or after September 1, 2015.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 12322, § 1, 5-22-02; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:271. - Deferred retirement option plan.

A. Establishment; applicability; purpose; citation.

1. As governed by the provisions of this section, there exists, as a part of this pension plan, an optional account known as the deferred retirement option plan.

2. The provisions of this section are somewhat different with respect to those otherwise eligible members of the retirement system whose election to participate in the deferred retirement option plan occurred before July 1, 1991, than for those whose election occurred on or after July 1, 1991.

3. This deferred retirement option plan may be cited as the "DROP."

4. The purpose of the DROP is to allow, contractually, in lieu of immediate termination of employment and receipt of a service retirement allowance, continued employment for a specified period of time, coupled with the deferral of receipt of retirement benefits until the end of such specified period of participation, at which time employment is to terminate.

B. Eligibility for participation; limitations.

1. Participation in the DROP is an option available to any member of this pension plan as follows:

a. For members whose date of hire was prior to September 1, 2015:

- (1) Has not less than twenty-five (25) nor more than thirty (30) years of creditable service at any age, or
- (2) Effective July 1, 2002, has not less than ten (10) years of creditable service and has reached the age of fifty-five (55) years.

b. For members whose date of hire was on or after September 1, 2015:

- (1) Has not less than twenty-five (25) years of creditable service at fifty-five (55) years of age for non-public safety employees, or at fifty (50) years of age for public safety employees, or
- (2) Has not less than ten (10) years of creditable service at sixty (60) years of age for non-public safety employees, or at fifty-five (55) years of age for public safety employees.

c. Applications for DROP participation must be filed with the retirement system not less than thirty (30) nor more than ninety (90) days before the effective date of DROP participation.

2. For purposes of this subsection, creditable service shall not include service in another retirement system which is reciprocally recognized by this retirement system under authority of state law (R.S. 11:142, as amended).

3. For members whose date of hire was prior to September 1, 2015, the election to participate in the DROP, under the provisions of either (1) or (2) of section 1:271(B)(1), shall be exercised prior to the applicant's attaining thirty (30) years of creditable service, or the option to so participate is forfeited.

For members whose date of hire was on or after September 1, 2015, the election to participate in the DROP, under the provisions of (1) of section 1:271(B)(1), shall be exercised prior to the applicant's attaining thirty-three (33) years of creditable service, or the option to so participate is forfeited, except that members who do not reach the minimum required retirement age, as provided in section 1:271(B)(1) must exercise the option to participate in the DROP no later than sixty (60) days following the attainment of fifty-five (55) years of age for non-public safety employees, or fifty (50) years of age for public safety employees, in order to participate the full five (5) years. The election to participate in the DROP, under the provisions of (2) of section 1:271 (B)(1) shall be exercised prior to the applicant's attaining thirty (30) years of creditable service, or the option to so participate is forfeited.

4. A member shall participate in the DROP only once, except as provided in subsection B.6 of this section.

5. For a member whose date of hire was prior to September 1, 2015, and who has not less than twenty-five (25) nor more than thirty (30) years of creditable service at any age, the duration of participation in the DROP shall be for a specific period, which shall not exceed either of the following:

(a) Five (5) years.

(b) A number of years which, when added to the number of years of creditable service for which the member has credit in this pension plan, equals thirty-two (32).

For a member whose date of hire was on or after September 1, 2015, and who has not less than twenty-five (25) nor more than thirty-three (33) years of creditable service, the duration of participation in the DROP shall be for a specific period, which shall not exceed:

- (a) Five (5) years; or
- (b) A number of years which, when added to the number of years of creditable service for which the member has credit in this pension plan, equals thirty-five (35); or
- (c) For members who are not eligible to participate in DROP at thirty (30) years of service because of age, a number of years representing the difference between (1) the member's earliest date to participate in DROP (defined as the no more than sixty (60) days following attainment of age fifty-five (55) for non-public safety employees, or age fifty (50) for public safety employees) plus five (5) years, and (2) the effective date of election to participate in DROP, provided this difference equals at least two (2) years.

The duration of participation in the DROP for a member whose date of hire is prior to September 1, 2015, and who has not less than ten (10) years of creditable service and has reached the age of fifty-five (55) years shall be for a specific period, which shall not exceed three (3) years. The duration of participation in the DROP for a member whose date of hire was on or after September 1, 2015, and who has not less than ten (10) years of creditable service, and has reached the age of sixty (60) for nonpublic safety employees or the age of fifty-five (55) for public safety employees shall be for a specific period, which shall not exceed three (3) years.

6. Should the participation period be interrupted by termination of employment for any reason, upon re-establishment of membership, provided the member has not received any distributions from his DROP account not based on his life expectancy, the member shall be immediately eligible for resumption of participation for the balance of the maximum period or the balance of his original DROP participation period, if any.

7. Any member whose election to participate in the DROP occurs on or after July 1, 1991, shall contractually agree with the retirement system to be bound by the provisions of this section. The member shall specifically agree in such contract to terminate employment at the end of the specified period of participation, and shall specifically agree to the results stipulated for failure to abide by such terms of the contract. Prior to sixty (60) days before the end of the specified period of participation, the board shall give notice of same, by certified mail, return receipt requested, to the member.

C. Conditions of participation; effects.

1. Upon commencement of participation in the DROP, although the participant shall remain a member of this pension plan, neither member nor employer contributions shall thenceforth be payable, even if an election was made to continue employment following the specified period of participation as was permitted for members whose election to participate was made before July 1, 1991. Neither shall contributions be payable if the member violates the terms of any contract to terminate employment at the end of the specified period of participation. No additional service credit or additional benefits shall be earned.

2. Upon commencement of participation, the service retirement allowance that would have been payable to the member had the member elected to terminate employment and receive a service retirement allowance, shall be paid into the DROP account in lieu of being paid to the member.

3. The DROP account shall not earn interest or be credited with interest during the specified period of participation. However, a percentage rate shall be determined annually, not later than December 31, in the manner set forth in this subsection, and DROP interest shall be computed as a derivative of this rate.

(a) The percentage rate from which DROP interest is computed will be certified by the retirement system actuary in accordance with a calculation averaging five (5) years of market rates of return, compounded quarterly, on retirement system investments. Each five (5) year period shall end on September 30, with the percentage rate so certified being applicable for the twelve (12) month period beginning on January 1 of the following calendar year, computed one (1) year in arrears. Provided, however, that the percentage rate certified by the actuary for the period from July 1, 1996 to December 31, 1997, shall be computed using market rates of return, compounded quarterly, for the period from April 1, 1991 through September 30, 1996, said rate to be determined not later than December 31, 1997.

(b) The DROP interest rate that is credited to individual accounts before January 1, 2005 shall be calculated in accordance with subsection C.3.(b)(1) of this section; and on or after January 1, 2005 shall be calculated in accordance with subsection C.3.(b)(2) of this section.

(1) The DROP interest rate that is credited to individual accounts shall be either a long-term or a short-term earnings rate. The long-term rate shall be equal to the percentage rate as certified by the actuary, less one (1) annual percentage point (one hundred (100) basis points); whereas the short-term rate shall be equal to the percentage rate as certified by the actuary, less two (2) annual percentage points (two hundred (200) basis points);

The long-term rate applies to all DROP accounts during the member's specified period of participation, on accounts after the specified period of participation when amounts withdrawn during the remainder of the first annual period, or any subsequent annual period, do not exceed twenty (20) percent of the balance at the beginning of such an annual period, and to all accounts with beginning of period balances of ten thousand dollars (\$10,000.00) or less. The short-term rate applies to all DROP accounts after the member's specified period of participation when amounts withdrawn during the remainder of the first annual period, or any subsequent annual period, exceed twenty (20) percent of the balance at the beginning of such an annual period.

(2) The DROP interest rate that is credited to individual accounts shall be equal to the percentage rate as certified by the actuary, less one (1) annual percentage point (one hundred (100) basis points).

(c) The method of computation of the percentage rate from which DROP interest is derived, as set forth in this subsection, and the manner of monthly compounding of DROP interest on a nominal basis of computation, shall be used, unless the metropolitan council establishes an alternative method of determining the rate or of compounding DROP interest, and the metropolitan council enacts by ordinance such an alternative method.

4. The board of trustees shall have the authority to develop and implement rules and procedures to carry out the intent of this subsection.

5. Interest shall be credited to the DROP account of a member whose election to participate in the DROP occurred before July 1, 1991, and paid in the same manner as the principal of his account.

6. If the member's election occurred on or after July 1, 1991, the following procedures apply:

(a) If the member dies, or terminates employment during or at the end of the specified period of participation as contractually agreed, a sum equal to the amount the individual account would have earned, if interest, as compounded, had been applicable to such account, shall be added to the account. Such interest and manner of compounding shall be equal to the interest and compounding in effect for the same period of time.

(b) If the member does not abide by the terms of the contract and does not terminate employment at the end of the period of participation as contractually agreed, payments into the DROP account shall cease, and the member shall immediately receive a distribution representing a lump-sum payment from the member's individual account in the DROP equal to its balance, without the addition of any sum representing interest, and such member's account

shall be terminated. Such member shall not be considered retired, but shall remain as a member of the pension plan. Only upon actual termination of employment shall the member be considered a retiree and entitled to the receipt of retirement benefits.

7. This account shall not be subject to any fees or charges of any kind for any purpose, except as otherwise provided in this subsection.

D. Termination of participation.

1. If the member remains an employee for the specified period of participation in the DROP and then immediately thereafter terminates employment, the member shall become a retiree and shall receive, at the retiree's option, any one (1) of the following:

(a) A lump-sum distribution from the retiree's individual account in the DROP equal to its balance, provided that such lump-sum distribution must be received prior to the retiree's receiving his first regular pension.

(b) A method of distribution based on life expectancy.

(c) Any other method of distribution as approved by the board of trustees.

The payments that were being made into the DROP account in lieu of a retirement allowance shall thenceforth be paid to the retiree.

2. If the member terminates employment prior to the end of the specified period of participation, the member shall immediately become a retiree and shall receive, at the retiree's option, any one (1) of the following:

(a) A lump-sum distribution from the retiree's individual account in the DROP equal to its balance, provided that such lump-sum distribution must be received prior to the retiree's receiving his first regular pension.

(b) A method of distribution based on life expectancy.

(c) Any other method of distribution as approved by the board of trustees.

The payments that were being made into the DROP account in lieu of a retirement allowance shall thenceforth be paid to the retiree.

3. If the member dies during the period of participation or after the end of the period of participation, but before total distribution of his DROP account, and the member's named beneficiary is the member's surviving spouse to whom the member was legally married at the time of the member's death, the surviving spouse shall receive, at the surviving spouse's option, any one (1) of the following:

(a) A lump-sum distribution from the retiree's individual account in the DROP equal to its balance.

(b) A method of distribution based on life expectancy.

(c) Any other method of distribution as approved by the board of trustees.

4. If the member dies during the period of participation, or after the end of the period of participation, but before total distribution of his DROP account, and the member's named beneficiary is someone other than the member's surviving spouse to whom the member was legally married at the time of the member's death, the named beneficiary shall receive a lump-sum payment equal to the member's individual account balance in the DROP account.

5. If the member dies during the period of participation and a beneficiary was not named, the member's estate shall receive a lump-sum payment equal to the member's individual account balance in the DROP account.

6. If, at the end of the specified period of participation, a member who has not contractually agreed to retire at such time does not terminate employment, retirement system membership shall continue, and payments into the DROP account shall immediately cease. Such member's individual account shall not continue to earn interest until the member has terminated employment. No funds shall be payable from the account so long as the member's employment is not terminated. Upon termination of employment, the member shall immediately become a retiree and shall receive, at the retiree's option, any one (1) of the following:

- (a) A lump-sum distribution from the retiree's individual account in the DROP equal to its balance, provided that such lump-sum distribution must be received prior to the retiree's receiving his first regular pension.
- (b) A method of distribution based on life expectancy.
- (c) Any other method of distribution as approved by the board of trustees.

The payments that were being made during the period of participation into the DROP account in lieu of a retirement allowance shall thenceforth be paid to the retiree.

7. If, at the end of the specified period of participation, a member who has not contractually agreed to retire at that time does not terminate employment and then dies while still employed, and the member's named beneficiary is the member's surviving spouse to whom the member was legally married at the time of the member's death, the surviving spouse shall receive, at the surviving spouse's option, any one (1) of the following:

- (a) A lump-sum distribution from the retiree's individual account in the DROP equal to its balance.
- (b) A method of distribution based on life expectancy.
- (c) Any other method of distribution as approved by the board of trustees.

8. If at the end of the specified period of participation, a member who has not contractually agreed to retire at that time does not terminate employment and then dies while still employed, and the member's beneficiary is someone other than the member's surviving spouse to whom the member was legally married at the time of the member's death, the named beneficiary shall receive a lump-sum payment equal to the member's individual account balance in the DROP account.

9. If at the end of the specified period of participation, a member who has not contractually agreed to retire at that time does not terminate employment and then dies, and a beneficiary was not named, the member's estate shall receive a lump-sum payment equal to the member's individual account balance in the DROP account.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 11623, § 1, 12-8-99; Ord. No. 12323, § 1, 5-22-02; Ord. No. 13040, § 1, 8-25-04; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:271.1. - Supplemental funding of DROP accounts; member not subject to early distribution penalty on date of retirement.

A. Eligibility for the application of this section is limited to those members who have participated in DROP and are not subject to penalty on early distributions from qualified plans under Section 72(t) of the Internal Revenue Code on date of retirement.

B. In addition to funding deferred retirement option plan (DROP) accounts pursuant to section 1:271, those members eligible under subsection A of this section shall be required to have (1) any severance pay or compensatory

time payable by an employer funded directly to the retirement system for credit to the eligible member's account, and/or (2) any separation benefits payable by the retirement system funded directly to the eligible member's account, all funding to occur immediately upon termination of employment.

C. Limitations relative to vacation time, sick leave, or compensatory time as allowed by the city-parish shall be used for purposes of this section in those cases where limitations for an employer are greater than those of the city-parish. In such cases, the employer shall certify compliance with the applicable city-parish limitations.

D. This section shall not apply to a member who (1) elects funding of amounts payable under this section to an eligible deferred compensation plan, or (2) is subject to a community property settlement or court order which is dispositive of any amounts payable under this section.

E. The administration of this section shall be subject to any provision of the Internal Revenue Code which would mandate limitation on its operation.

F. The provisions of this section shall be effective May 1, 2001.

(Ord. No. 12005, § 1, 4-25-01; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:271.2. - Supplemental funding of DROP accounts; member subject to early distribution penalty on contracted date of retirement.

A. Eligibility for the application of this section is limited to those members who are electing participation in DROP and are scheduled to be subject to penalty on early distributions from qualified plans under Section 72(t) of the Internal Revenue Code on the contracted date of retirement.

B. In addition to funding deferred retirement option plan (DROP) accounts pursuant to section 1:271, those members eligible under subsection A of this section shall have the option, to be made not less than thirty (30) days nor more than ninety (90) days prior to termination of employment, to irrevocably contract to have (1) any severance pay or compensatory time payable by an employer funded directly to the retirement system for credit to the eligible member's account, and/or (2) any separation benefits payable by the retirement system funded directly to the eligible member's account, all funding to occur immediately upon termination of employment.

C. If a member who has contracted amounts payable under this section into his DROP account dies prior to termination of employment, the election shall be voidable at the option of the member's named beneficiary. In the event multiple beneficiaries have been designated, all must agree on the disposition of the affected funds, or the election shall be void.

D. Limitations relative to vacation time, sick leave, or compensatory time as allowed by the city-parish shall be used for purposes of this section in those cases where limitations for an employer are greater than those of the city-parish. In such cases, the employer shall certify compliance with the applicable city-parish limitations.

E. This section shall not apply to a member who (1) elects funding of amounts payable under this section to an eligible deferred compensation plan, or (2) is subject to a community property settlement or court order which is dispositive of any amounts payable under this section.

F. The administration of this section shall be subject to any provision of the Internal Revenue Code which would mandate limitation on its operation.

G. The provisions of this section shall be effective May 1, 2001.

(Ord. No. 12005, § 2, 4-25-01; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:272. - Limits on benefits.

A member of the pension system may not accrue a retirement pension, or any other benefit under this subpart, in excess of the benefit limits applicable to this pension plan under section 415 of the Internal Revenue Code. The board shall reduce the amount of any benefit that exceeds those limits by the amount of the excess. If total benefits under this pension plan and the benefits and contributions to which any member is entitled under any other qualified plans maintained by the employer would otherwise exceed the applicable limits under section 415 of the Internal Revenue Code, the benefits the member would otherwise receive from this pension plan shall be reduced to the extent necessary to enable the benefits to comply with section 415. The limits shall be adjusted annually in accordance with section 415(d) of the Internal Revenue Code. The annual adjustment shall apply to the benefits of both active and terminated members and shall apply without regard to whether a terminated member is receiving retirement benefits.

The total salary taken into account for any purpose for any member of the pension system may not exceed the dollar limit imposed pursuant to section 401 (a)(17) of the Internal Revenue Code for any year for an eligible participant, or an ineligible participant, as applicable. These dollar limits shall be adjusted from time to time in accordance with guidelines provided by the United States Secretary of the Treasury. For purposes of this subsection, an eligible participant is a person who first became an active member before 1996, and an ineligible participant is a member who is not an eligible participant.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 13042, § 2, 8-25-04; Ord. No. 15062, § 1, 12-8-10; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:273. - Direct rollover of eligible rollover distributions.

A. This section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of this subpart to the contrary that would otherwise limit a distributee's election under this section, a distributee may elect, at the time and in the manner prescribed by the plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

If a distributee should receive an eligible rollover distribution that exceeds one thousand dollars (\$1,000.00) and fails to elect whether the distribution shall be received directly by the distributee or rolled over into an eligible retirement plan, the distribution shall be rolled over into an individual retirement account or individual retirement annuity.

B. Definitions. In this section;

(1) Eligible rollover distribution means any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include:

(a) Any distribution that is one (1) of a series of substantially equal periodic payments (not less frequently than annually) made for the life or life expectancy of the distributee or the joint lives or joint life expectancies of the distributee and the distributee's designated beneficiary or for a specified period of ten (10) years or more;

(b) Any distribution to the extent such distribution is required under section 401(a)(9) of the Internal Revenue Code; or

(c) Any distribution that is made upon hardship of the employee.

(2) Eligible retirement plan means an individual retirement account described in section 408(a) of the Internal Revenue Code, an individual retirement annuity described in section 408(b) of the Internal Revenue Code, an annuity plan described in section 403(a) of the Internal Revenue Code, an eligible deferred compensation plan as defined in section 457(b) that is maintained by an eligible employer described in section 457(e)(1) of the Internal

Revenue Code, an annuity contract described in section 403(b) of the Internal Revenue Code, or a qualified trust described in section 401(a) of the Internal Revenue Code, that accepts the distributee's eligible rollover distribution. In the case of an eligible rollover distribution for a designated beneficiary that is not the spouse or a former spouse who is an alternate payee under a qualified domestic relations order, an eligible retirement plan means only an individual retirement account or individual retirement annuity.

(3) Distributee means an employee or former employee. In addition, the employee or former employee's surviving spouse or designated beneficiary are distributees and the employee or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414 (p) of the Internal Revenue Code, are distributees with regard to the interest of the spouse or former spouse.

(4) Direct rollover means a payment by the plan to the eligible retirement plan specified by the distributee.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 13042, § 3, 8-25-04; Ord. No. 15062, § 1, 12-8-10; Ord. No. 15383, § 1, 9-12-12; Ord. No. 15761, § 1, 9-10-14; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:274. - Internal Revenue Code qualification requirements.

A. Diversion. The assets of the pension plan shall be held for the exclusive benefit of the employees who are or become participating members of the pension plan and their survivors and beneficiaries, and of retirees and their survivors and beneficiaries. It shall be impossible for any part of the corpus or income of the pension plan to be used for or diverted to purposes other than the exclusive benefit of such members and retirees, or their survivors or beneficiaries, whether by operation or natural termination of the plan, by power of revocation or amendment, by the happening of a contingency, by collateral assignment, or by any other means.

B. Vesting. The retirement benefit earned by a member shall be fully vested and nonforfeitable no later than the date he becomes eligible to retire. Benefits of affected members shall also become vested (nonforfeitable) to the extent funded, upon the termination or partial termination of the pension plan or the complete discontinuance of contributions thereunder.

C. Forfeitures. Forfeitures resulting from a termination of employment or a withdrawal of a member's own contributions may not be used to increase benefits to remaining members. This shall not preclude an increase in benefits by amendment to the benefit formula made possible by favorable investment results or for any other reason.

D. Latest date for commencement of benefits. A member's benefits shall be distributed, or commence to be distributed, to the member not later than April 1 of the year following the later of the calendar year in which such member attains age seventy and one-half (70½) years of age or retires. Distributions to a member and the member's beneficiary shall be made in accordance with section 401(a)(9) of the Code, including section 401(a)(9)(D) thereof relating to incidental death benefits, and the regulations thereunder. Except as otherwise provided in this subsection, payments of death benefits to the survivor of a member who dies before any retirement benefits have been paid shall commence no later than one (1) year after the death of the member. Payments on behalf of any deceased member, including lump-sum payments, need not commence within the one-year period if all such payments on behalf of the deceased member are completed within five (5) years after the member's death. Furthermore, if the deceased member's spouse is the sole survivor, benefits to the spouse may begin as late as December 31 of the year the member would have attained age seventy and one-half (70½) years had such member lived. If a member dies after retirement benefits have commenced, benefits must continue to be distributed to the survivor at least as rapidly as provided for under the option elected by the member before his death.

E. Limitation on termination of the pension plan.

1. In the event of a termination of this pension plan, the benefit of any highly compensated member or former member is limited to a benefit that is nondiscriminatory under section 401(a)(4) of the Code. Benefits distributed to any member who was one of the twenty-five (25) most highly compensated active and most highly compensated former employees of the employer are restricted such that the annual payments are no greater than an amount equal to the payment that would be made on behalf of the member under a single-life annuity that is the actuarial equivalent of the sum of the member's accrued benefit and the member's other benefits under the pension plan.

2. Paragraph 1 of this subsection shall not apply if, after payment of the benefit to a member described in that paragraph, the value of plan assets equals or exceeds one hundred ten (110) percent of the value of the current liabilities, as defined in section 412(1)(7) of the Code, or if the value of the benefits for a member described in that paragraph is less than one (1) percent of the value of all current liabilities of the plan.

3. For purposes of this subsection, benefit includes loans in excess of the amount set forth in section 72(p)(2)(A) of the Code, any periodic income, any withdrawal values payable to a living member, and any death benefits not provided for by insurance on the member's life.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 15062, § 1, 12-8-10; Ord. No. 15761, § 1, 9-10-14; Ord. No. 16039, § 1, 8-12-15)

Subpart 3. - Excess Benefit Plan

Sec. 1:275. - Establishment of plan.

There is hereby created a separate, unfunded, non-qualified excess benefit plan containing the terms and provisions set forth in this subpart and intended to be a qualified governmental excess benefit arrangement, as defined in section 415(m)(3) of the Code.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:276. - Definitions.

A. All definitions prescribed in subpart 1 of this part are applicable to the plan created pursuant to this subpart unless a different definition is set forth in this subpart, or the context in which a term is used in this subpart indicates a different meaning than that prescribed in subpart 1.

B. Maximum benefit shall mean the retirement benefit a member is entitled to receive from the pension plan set forth in subpart 2 or the police guarantee trust set forth in subpart 4 in any month after giving effect to section 1:272 and any similar provisions of any other qualified plan or plans maintained by the employer and designed to conform to section 401 of the Code.

C. Excess benefit participant shall mean any member whose retirement benefit as determined on the basis of all qualified plans without regard to the limitations of section 1:272 and comparable provisions of other qualified plans of the employer would exceed the maximum benefit permitted under section 415 of the Code.

D. Unrestricted benefit shall mean the monthly retirement benefit a member, or the spouse, child, or single dependent parent of a member, would have received under the terms of all qualified plans of the employer, except for the restrictions of section 1:272 and any similar provisions of any other qualified plans designed to conform to Section 415 of the Code.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 15062, § 1, 12-8-10; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:277. - Benefit provided.

A. An excess benefit participant who is receiving benefits from the pension plan or the police guarantee trust is entitled to a monthly benefit under this excess benefit plan in an amount equal to the lesser of:

1. The member's unrestricted benefit less the maximum benefit; or
2. The amount by which the member's monthly benefit from the pension plan or the police guarantee trust has been reduced because of the limitations of section 1:272.

B. A retirement benefit payable under this excess benefit plan shall be paid in the form and at the time it would have been paid as a monthly pension under the pension plan or the police guarantee trust except for the limitations under section 1:272 and section 415 of the Code. Each optional benefit form permitted under this excess benefit plan shall be the actuarial equivalent of each other permitted benefit form.

C. This plan shall be administered by the board. Except as provided to the contrary by this subpart, the rights, duties, and responsibilities of the board shall be the same for this excess benefit plan as for the pension plan set forth in subpart 2.

D. The actuary employed by the board is responsible for determining the amount of benefits that may not be provided under the pension plan or the police guarantee trust solely because of the limitations of section 1:272 and section 415 of the Code and thus the amount of contributions that will be made to this excess benefit plan rather than to the pension plan.

E. The actuaries and legal advisors described in section 1:253.D shall also provide advice to the board for this excess benefit plan.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 15062, § 1, 12-8-10; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:278. - Contributions.

Contributions may not be accumulated under this excess benefit plan to pay future retirement benefits. Instead, each payment of contributions by the employer that would otherwise be made to the pension plan or the police guarantee trust shall be reduced by the amount determined by the board as necessary to meet the requirements for retirement benefits under this excess benefit plan until the next payment of contributions is expected to be made to the pension plan or the police guarantee trust by the employer. The employer shall then pay to this excess benefit plan, out of the contributions that would otherwise have been made to the pension plan or the police guarantee trust, no later than the fourteenth day before the date of each distribution of monthly retirement benefits is required to be made from this excess benefit plan, the amount necessary to satisfy the obligation to pay monthly retirement benefits under this excess benefit plan. The board shall satisfy the obligation of this excess benefit plan to pay retirement benefits out of the employer contributions so transferred. The employer contributions otherwise required pursuant to section 1:253.O or section 1:282.D and any other qualified plan shall be divided into those contributions required to pay retirement benefits pursuant to this subpart and those contributions paid into and accumulated to pay the maximum benefits required under the qualified plans. Employer contributions made to provide retirement benefits pursuant to this part may not be commingled with the monies of the pension plan or any other qualified plan, nor may this plan ever receive any transfer of assets from the pension plan.

(Ord. No. 10779, § 1, 12-11-96; Ord. No. 15062, § 1, 12-8-10; Ord. No. 16039, § 1, 8-12-15)

Subpart 4. - Police Guarantee Trust

Sec. 1:280. - Establishment of police guarantee trust.

There is hereby established within the retirement system a separate trust governed by the provisions set forth below to hold assets and pay certain retirement benefits to those members who have voluntarily elected a transfer to the Municipal Police Employees' Retirement System of Louisiana. This trust is intended to be a qualified trust within the meaning of section 401(a) of the Code and exempt from federal income taxes, and shall always be construed in a manner consistent with insuring its qualification.

(Ord. No. 11669, § 2, 2-23-00; Ord. No. 15062, § 1, 12-8-10; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:281. - Definitions.

A. All definitions prescribed in subpart 1 of this part are applicable to the trust created pursuant to this subpart unless a different definition is set forth in this subpart, or the context in which a term is used in this subpart indicates a different meaning than that prescribed in subpart 1.

B. Eligible police employees shall mean those members of the retirement system, including those members who are participating, or have participated, in the deferred retirement option plan of the retirement system, who voluntarily elected a transfer to the Municipal Police Employees' Retirement System of Louisiana pursuant to R.S. 11:2225(A)(11)(a)(ii).

C. Guarantee account shall mean that account of an eligible police employee in which shall be accumulated amounts payable under the police guarantee trust.

D. Guarantee of benefits contract shall mean that agreement executed between the city and the individual eligible police employee, and the spouse of the eligible police employee if legally married, which provides for the retention of certain retirement benefits and rights which the eligible police employee, or his survivors and/or beneficiaries, would have had in the retirement system had the eligible police employee not voluntarily elected a transfer to the Municipal Police Employees' Retirement System of Louisiana, said agreement entitled "Agreement and Guarantee of Retirement Rights and Benefits."

E. MPERS shall mean the Municipal Police Employees' Retirement System of Louisiana.

F. Original retirement system trust shall mean that tax-qualified trust established within the retirement system to hold assets and provide the retirement benefits set forth in subpart 2 of this part to members other than eligible police employees.

G. Police guarantee trust shall mean that trust established within the retirement system by this subpart 4 to hold assets and pay amounts due under the guarantee of benefits contract to eligible police employees, or their survivors and/or beneficiaries.

H. Transfer agreement shall mean that agreement by which the eligible police employees are transferred from this retirement system to the Municipal Police Employees' Retirement System of Louisiana, and shall provide for payment from the city to the Municipal Police Employees' Retirement System of Louisiana of an amount equal to sixty (60) percent of the accrued liability for all members so transferred.

I. Transfer date shall mean the 26th day of February, 2000.

(Ord. No. 11669, § 2, 2-23-00; Ord. No. 15062, § 1, 12-8-10; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:282. - Administration.

A. The police guarantee trust shall be funded initially by a trust to trust transfer of assets from the original retirement system trust, and funded subsequent to establishment as provided in paragraph D. of this section.

B. The assets of the police guarantee trust shall be held for the exclusive benefit of eligible police employees, or their survivors and/or beneficiaries, and the assets of the original retirement system trust shall be held for the exclusive benefit of members other than eligible police employees.

C. The board of trustees of the retirement system shall have fiduciary responsibility over the assets of the police guarantee trust, and the exclusive authority for the investment of those assets. The board shall administer the police guarantee trust in a manner that will assure prompt payment of benefits to the eligible police employee, or his survivor and/or beneficiary. The board shall charge the police guarantee trust for all direct and indirect costs associated with the establishment and administration of that trust.

D. The city agrees to cause an independent actuarial valuation of the police guarantee trust annually, and to make such contribution, if any, which may be deemed appropriate by such valuation.

(Ord. No. 11669, § 2, 2-23-00; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:283. - Benefits provided; generally.

A. An eligible police employee who is receiving benefits from the police guarantee trust is entitled to the difference, if any, where the benefits that would have been payable by the retirement system had the transfer agreement not been executed, calculated in accordance with the benefit provisions of the retirement system in effect on the transfer date, exceed the benefits payable under MPERS, except as specifically provided herein or in the guarantee of benefits contract.

B. The retirement system service retirement allowance utilized in paragraph A. of this section shall be the benefit calculated pursuant to section 1:265.A.

C. The service retirement allowance of MPERS utilized in paragraph A. of this section shall be the actual benefit paid by MPERS, but not less than the actuarial equivalent of the benefit calculated pursuant to R.S. 11:2224(A) Option 3, increased by cost-of-living adjustments authorized by R.S. 11:2225(A)(7).

(Ord. No. 11669, § 2, 2-23-00; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:284. - Survivor benefits.

A. Survivor benefits shall be payable from the police guarantee trust only in those circumstances when the eligible police employee has timely elected one (1) of the forms of payment specified as Options 2, 2a, 3, or 3a of R.S. 11:2224(A), and then only to the extent of payment to the survivor of such eligible police employee of the difference, if any, where the survivor benefits that would have been payable by the retirement system had the transfer agreement not been executed, calculated in accordance with section 1:270.F. or G. as it was in effect on the transfer date, exceed the benefits payable under R.S. 11:2224(A) Option 3, except as specifically provided herein or in the guarantee of benefits contract.

B. The retirement system survivor benefit utilized in paragraph A. of this section shall be the benefit calculated pursuant to section 1:270.F. or G.

C. The survivor benefit of MPERS utilized in paragraph A. of this section shall be the actual survivor benefit paid by MPERS, but not less than the actuarial equivalent of the benefit calculated pursuant to R.S. 11:2224(A) Option 3, increased by cost-of-living adjustments authorized by R.S. 11:2225(A)(7).

D. Notwithstanding any provision of this section to the contrary, no survivor benefit shall be payable from the police guarantee trust to a surviving spouse who was not legally married to the eligible police employee prior to his commencement of DROP participation or retirement, whichever is earlier.

(Ord. No. 11669, § 2, 2-23-00; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:285. - Deferred retirement option plan.

A. Members participating in the deferred retirement option plan on the transfer date.

1. Any period of participation by an eligible police employee in the DROP of the retirement system prior to the transfer date shall be considered as constituting an equivalent period of participation in the DROP maintained by MPERS.

2. Any period of participation by an eligible police employee in the DROP of the retirement system prior to the transfer date shall be credited against and deducted from the maximum period of DROP participation allowed in the DROP provisions of MPERS.

3. In accordance with the above requirements, an eligible police employee participating in the DROP of the retirement system on the transfer date shall continue with such DROP participation as follows:

(a) Where the interval of the eligible police employee's participation in the DROP of the retirement system is, on the transfer date, less than three (3) years, such eligible police employee shall (1) immediately commence participation in the DROP maintained by MPERS, and shall thereafter participate in MPERS' DROP until such time as the eligible police employee shall have exhausted all eligibility to participate in the DROP maintained by MPERS, and (2) shall thereafter participate in the DROP of the retirement system, until such time that the eligible police employee has completed the maximum period of DROP participation allowed under the DROP provisions of the retirement system; or

(b) Where the interval of the eligible police employee's participation in the DROP of the retirement system is, on the transfer date, equal to or greater than three (3) years, such eligible police employee shall be deemed to have exhausted all eligibility to participate in the DROP maintained by MPERS and shall continue participation in the DROP of the retirement system until such time that the eligible police employee has completed the maximum period of DROP participation allowed under the DROP provisions of the retirement system.

B. Members not participating in the deferred retirement option plan on the transfer date.

1. An eligible police employee eligible to participate in DROP of the retirement system, but not in the DROP maintained by MPERS, who elects to participate in DROP on or after the transfer date, shall be enrolled in the DROP of the retirement system and shall commence participation in the DROP maintained by MPERS on the later to occur of the following dates:

(a) The date on which such eligible police employee first becomes eligible for participation in the DROP maintained by MPERS; or

(b) The date on which such eligible police employee completes two (2) years of participation in the DROP of the retirement system.

2. In the event that an eligible police employee does not attain eligibility to participate in the DROP maintained by MPERS prior to completing the maximum period of DROP participation specified under the DROP provisions of the retirement system, the entire five (5) years of DROP participation allowed shall be undertaken

solely in the DROP of the retirement system and such eligible police employee shall never participate in the DROP maintained by MPERS.

3. An eligible police employee eligible to participate both in the DROP of the retirement system and in the DROP maintained by MPERS, who elects to participate in DROP on or after the transfer date, shall be enrolled in the DROP of the retirement system, and shall commence participation in the DROP maintained by MPERS on the date that such eligible police employee completes two (2) years of participation in the DROP of the retirement system.

C. No provision of this section prohibits an eligible police employee from terminating DROP participation prior to the end of the specified period of participation.

D. Unused accumulated vacation time and/or sick leave may be used to establish an eligible police employee's eligibility for participation in the DROP of the retirement system in accordance with section 1:262.

E. An eligible police employee who voluntarily elected a transfer to MPERS shall be credited with interest on DROP funds deposited into his guarantee account as provided herein. The DROP interest rate(s) payable under the police guarantee trust shall be either the long-term or short-term rate computed under section 1:271.C.3., being the identical percentage rate paid under the original retirement system trust for an applicable annual period.

F. Without regard to whether an eligible police employee participates in the DROP of the retirement system or the DROP maintained by MPERS, the police guarantee trust will credit the guarantee account of an eligible police employee the interest payable on the DROP of the retirement system at all times, and on MPERS DROP until such time as interest becomes payable under the DROP provisions of MPERS, provided that interest would have been payable under the DROP of the retirement system.

G. The penalty provisions set forth in section 1:271.C.6.(b) requiring forfeiture of DROP interest due to continued employment after the specified period of participation shall be continued and maintained in full force and effect as to an eligible police employee transferred into MPERS, and all interest earned on the guarantee account of such an eligible police employee shall be forfeited if employment is not terminated upon the expiration of a maximum five (5) years of total or combined DROP participation.

(Ord. No. 11669, § 2, 2-23-00; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:286. - Retirement without DROP participation.

Should an eligible police employee elect to retire from the retirement system on or after the transfer date, the police guarantee trust will pay to that retiree, until such time that the retiree is eligible to receive benefits under MPERS, the benefit to which the retiree is otherwise entitled under the retirement system.

(Ord. No. 11669, § 2, 2-23-00; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:287. - Earned compensation; contributions to police guarantee trust.

Any earned compensation not allowed by MPERS for retirement credit shall be included in the computation of earned compensation for the retirement benefit under this subpart, provided such compensation was included in the computation of earned compensation by the retirement system on the transfer date, and contributions shall be payable to the police guarantee trust at all times on any such compensation by the city and the eligible police employee at the rate of contribution(s) required by sections 1:253.N. and 1:264.A.1.

(Ord. No. 11669, § 2, 2-23-00; Ord. No. 16039, § 1, 8-12-15)

Sec. 1:288. - Retirement system; interrelationship of subparts.

The provisions of subparts 1 and 2 of this part (including, but not limited to sections 1:261, 1:272, 1:273 and 1:274 of subpart 2 which are expressly incorporated herein by reference) are applicable to the trust created pursuant to this subpart, unless the context of such a provision is inconsistent with the purposes for which this police guarantee trust was established.

(Ord. No. 11669, § 2, 2-23-00; Ord. No. 15062, § 1, 12-8-10; Ord. No. 16039, § 1, 8-12-15)