

# IMPORTANT MEMO

## FIREFIGHTERS' RETIREMENT SYSTEM

**To:** All Finance and Budget Department Personnel  
**From:** Layne McKinney, Controller/System CPA  
**Date:** February 28, 2019  
**Subject:** Employer Contribution Rate for FY 19-20



### EMPLOYER CONTRIBUTION RATE FY 19-20

**29.75% below poverty**

**27.75% above poverty**

**EFFECTIVE DATE = JULY 1, 2019**

The employer contribution rate will become effective on July 1, 2019, and the contribution rate is set at 29.75% for below poverty and 27.75% for above poverty employees. This contribution rate will continue until further notice. **Caution: The FRS actuary expects the contribution rate to increase in the fiscal year beginning July 1, 2020, but he cannot yet estimate what that increase will be.**

Also, please note that this memo outlines the procedures that are to be used by each employer when calculating contributions due to the Firefighters' Retirement System. Contributions should be calculated in accordance with R.S. 11:233, R.S. 11:2252(9), and R.S. 11:2262. These statutes state in part "Earnings or earnable compensation shall not include overtime unless it is required to be worked in the employee's regular tour of duty, operating expenses, use of automobile or motor vehicles, the cost of any insurance paid by the employer, any allowance for expenses incurred as an incident of employment, payments made in lieu of unused annual or sick leave, bonuses, terminal pay, severance pay, or any other type of irregular or nonrecurring payment". Compensation resulting from overtime that is required to be worked in a firefighter's regular tour of duty is included in his earnable compensation. This is referred to as "scheduled overtime". Conversely, any overtime that is not required as part of a firefighter's regular tour of duty is not included in his retirement compensation.

Each month employers are required to submit contribution reports that contain a signed certification statement that reads as follows: "I understand that there is a lag time between the end of each month and the date that contributions are due to be submitted to FRS. Contributions are always due by the 20<sup>th</sup> of the immediate following month. For example, contributions collected for January are due to FRS by February 20<sup>th</sup>. I hereby acknowledge that contributions are calculated in accordance with all applicable state laws, including but not limited to R.S. 11:233, R.S. 11:2252(9), and R.S. 11:2262". If you have any questions, please contact me at the retirement office at (225) 925-4060.

**Please give these rates to your Mayors and fire chiefs so that they will also have this important information.**