

**CITY OF NEW ORLEANS
EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATIVE PROCEDURES
(REHIRE)**

Date of Adoption: February 21, 2019

Effective Date: January 1, 2018

Subject: Rehires

These Administrative Procedures (the "Procedures") are made by the Board of Trustees (the "Trustees") of the City of New Orleans Employees' Retirement System (the "System") in accordance with the provisions of Ordinance No. 114-67, City of New Orleans, Municipal Code of Ordinances (the "Ordinances"), which expressly delegates to the Trustees all power necessary for the administration of the System and for making effective the provisions thereof.

These Procedures are intended to form of part of the System and to govern the interpretation and construction of the Ordinances.

I. Purpose: These Procedures are intended to address the calculation of the retirement allowance of a "Rehire," defined as a member who: (a) commenced his or her employment prior to January 1, 2018; (b) thereafter separated from service; (c) was reemployed after January 1, 2018; and (d) does not effect a transfer under La. R.S. 11:143. These Procedures are further made in consideration of the following:

- a. On December 12, 2017, the Council of the City of New Orleans amended certain provisions of the Ordinances, including: Sec. 114-125 (eligibility for normal retirement); Sec. 114-126 (determination of pensionable compensation); Sec. 114-127 (amount of retirement allowance); Sec. 114-128 (reduction for early retirement); Sec. 114-135 (additional payments); and Sec. 114-145 (DROP election).
- b. As a result of such amendments, the retirement allowance of an active member who commenced employment after January 1, 2018 is now determined as 1.9% of such member's pensionable compensation multiplied by such member's creditable service, with pensionable compensation limited to \$100,000 (or a lesser amount required by applicable law) (the "New Formula").
- c. The retirement allowance of an active member who commenced employment prior to January 1, 2018, is determined as the sum of (i) 2.5% of such member's pensionable compensation multiplied by such member's creditable service not in excess of 25, years, and (ii) 4% of such member's pensionable compensation multiplied by such member's creditable service in excess of 25 years, with pensionable compensation subject to any limitation imposed under applicable law (the "Old Formula").

II. Procedures:

- a. The retirement allowance of a Rehire who has not received a refund of his or her member account (as contemplated under Sec. 114-160) prior to the date of his or her reemployment shall be determined under the Old Formula, aggregating his or her periods of credited service and his or her pensionable compensation for all purposes under the System, including the vesting of his or her retirement

allowance under Ord. Sec. 114-160 and the time at which he or she shall be eligible for normal retirement.

- b. The retirement allowance of a Rehire who received a refund of his or her his member account (as contemplated under Sec. 116-160) prior to the date of his or her reemployment shall be determined under the New Formula. His or her period of credited service and his or her pensionable compensation for periods prior to reemployment shall be disregarded for all purposes under the System.
- c. The retirement allowance of a Rehire who received a refund of his or her member account prior to the date of his or her reemployment and has now repaid such amount in accordance with Sect. 114-161 shall be determined under the Old Formula, aggregating his or her periods of credited service and pensionable compensation for all purposes under the System.

THESE ADMINISTRATIVE PROCEDURES were adopted by the Board of Trustees on the date set forth above to be effective as provided herein.


Chairman, Board of Trustees

PD.25449177.1