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Pension Issue Uncovered by BGR Expected to Yield Millions in Savings to Taxpayers

On October 27, 2016, an Orleans Parish Civil District Court judge ruled in the City’s favor on how to apply the pension benefit calculation formula for City firefighters. The matter stemmed from a 2013 report in which BGR revealed that the New Orleans Firefighters’ Pension and Relief Fund was applying the benefits formula on more generous terms than those spelled out in state law. (For details, see page 2 of [Sound the Alarm: New Orleans Firefighter Pension Woes and the Legislative Session.](#)) The City subsequently sought and just recently obtained a court order directing the fund to apply the formula as set forth in law. We note that the judgment is subject to appeal. ([Click here](#) for the judgment in *New Orleans Fire Fighters Pension and Relief Fund et al vs. The City of New Orleans et al.*)

According to a pension consultant’s estimate, if the formula were properly applied to current employees alone, taxpayers would save roughly \$1.3 million per year. But under the judgment, the formula is to apply to current retirees as well, increasing the potential savings.

BGR’s 2013 report on firefighter pensions was the third in a series on metro area government pension plans. Just last month, BGR released the fourth installment, *Reducing the Cost of Tomorrow: A Practical Guide to Pension Reform in Jefferson, Orleans and St. Tammany Parishes.* That report explores the changes to public pension benefits policymakers can make to reduce the costs and risks associated with the pension plans. It is available at www.bgr.org.

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BGR is a private, nonprofit, independent research organization. Since its founding in 1932, it has been dedicated to informed public policy-making and the effective use of public resources in the Greater New Orleans area. For more information, call 525-4152 or visit www.bgr.org.