

Regular Session, 2009

ACT No. 296

HOUSE BILL NO. 561

BY REPRESENTATIVE POPE AND SENATOR B. GAUTREAUX

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

1 AN ACT

2 To amend and reenact R.S. 11:105(A), 106(A), and 107(A) and to enact R.S. 11:107.1,
3 relative to the authority of boards of trustees of statewide retirement systems or
4 funds; to provide relative to employer contributions; to establish funding deposit
5 accounts; to provide for an effective date; and to provide for related matters.

6 Notice of intention to introduce this Act has been published
7 as provided by Article X, Section 29(C) of the Constitution
8 of Louisiana.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:105(A), 106(A), and 107(A) are hereby amended and reenacted
11 and R.S. 11:107.1 is hereby enacted to read as follows:

12 §105. Employer contributions; maintaining rates

13 A. The provisions of this Section shall apply to the following statewide
14 public retirement systems or funds, hereinafter referred to in this Section as
15 "systems":

- 16 (1) The Assessors' Retirement Fund.
- 17 (2) The Clerks' of Court Retirement and Relief Fund.
- 18 (3) The Municipal Employees' Retirement System of Louisiana.
- 19 (4) The Parochial Employees' Retirement System of Louisiana.
- 20 (5) The Sheriffs' Pension and Relief Fund.
- 21 (6) The Registrars of Voters Employees' Retirement System.

22 * * *

1 §106. Additional employer contributions; increasing rates

2 A. The provisions of this Section shall apply to the following statewide
3 public retirement systems or funds:

4 (1) The Assessors' Retirement Fund.

5 (2) The Clerks' of Court Retirement and Relief Fund.

6 (3) The Municipal Employees' Retirement System of Louisiana.

7 (4) The Registrars of Voters Employees' Retirement System.

8 * * *

9 §107. Additional employer contributions; reducing rate decreases

10 A. The provisions of this Section shall apply to the following statewide
11 public retirement systems or funds:

12 (1) The Assessors' Retirement Fund.

13 ~~(1)~~(2) The Clerks' of Court Retirement and Relief Fund.

14 ~~(2)~~(3) The Municipal Employees' Retirement System of Louisiana.

15 ~~(3)~~(4) The Parochial Employees' Retirement System of Louisiana.

16 (5) The Registrars of Voters Employees' Retirement System.

17 * * *

18 §107.1. Funding deposit account

19 A. The provisions of this Section shall apply to the following statewide
20 public retirement systems or funds, hereinafter referred to in this Section as
21 "systems":

22 (1) The Assessors' Retirement Fund.

23 (2) The Clerks' of Court Retirement and Relief Fund.

24 (3) The Municipal Employees' Retirement System of Louisiana.

25 (4) The Parochial Employees' Retirement System of Louisiana.

26 (5) The Registrars of Voters Employees' Retirement System.

27 B.(1) There shall be established a funding deposit account for each system
28 to which this Section applies. Such account shall be credited and charged solely as
29 provided in this Section.

1 (2) The balance in the account shall be set equal to zero as of December 31,
 2 2008.

3 (3) Notwithstanding any provision of this Subpart to the contrary, for any
 4 fiscal year ending on or after December 31, 2008, in which the board of trustees of
 5 a system elects or previously elected to set the net direct employer contribution rate
 6 higher than the minimum recommended rate pursuant to this Subpart, all surplus
 7 funds collected by the system shall be credited to the system's funding deposit
 8 account.

9 C. The funds in the account shall earn interest annually at the
 10 board-approved actuarial valuation interest rate, and such interest shall be credited
 11 to the account at least once a year.

12 D. Beginning with the first valuation on or after December 31, 2008, the
 13 board of trustees of each system may in any fiscal year direct that funds from the
 14 account be charged for the following purposes:

- 15 (1) To reduce the unfunded accrued liability as prescribed in this Subpart.
- 16 (2) To reduce the present value of future normal costs for systems using an
 17 aggregate funding method.
- 18 (3) To pay all or a portion of any future net direct employer contributions.

19 E. In no event shall the funds charged from the account exceed the
 20 outstanding account balance.

21 F. If the board of trustees of a system elects to charge funds from the funding
 22 deposit account pursuant to Paragraph (D)(3) of this Section, the percent reduction
 23 in the minimum recommended employer contribution rate otherwise applicable shall
 24 be determined by dividing the interest-adjusted value of the charges from the funding
 25 deposit account by the projected payroll for the fiscal year for which the contribution
 26 rate is to be reduced.

27 G. For funding purposes, any asset value utilized in the calculation of the
 28 actuarial value of assets of a system shall exclude the funding deposit account
 29 balance as of the asset determination date for such calculation.

1 H. For all purposes other than funding, the funds in the account shall be
2 considered assets of the system.

3 Section 2. This Act shall become effective on June 30, 2009; if vetoed by the
4 governor and subsequently approved by the legislature, this Act shall become effective on
5 June 30, 2009, or on the day following such approval by the legislature, whichever is later.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____