

Existing law (R.S. 11:105) generally authorizes the boards of trustees of certain statewide retirement systems or funds to maintain the net direct employer contribution rate in effect when a decrease in the rate would otherwise occur under existing law. New law adds the Registrars of Voters Employees' Retirement System (ROVERS) to the list of such statewide systems or funds.

Existing law (R.S. 11:106) generally authorizes the boards of trustees of certain statewide retirement systems or funds to require an increase in the net direct employer contribution rate of up to 3% more than the rate that would otherwise occur under existing law. New law adds ROVERS to the list of such statewide systems or funds.

Existing law (R.S. 11:107) generally authorizes the boards of trustees of certain statewide retirement systems or funds to set the employer contribution rate at any point between the previous year's rate and the decreased rate that would otherwise occur according to existing law. New law adds the Louisiana Assessors' Retirement Fund (LARF) and ROVERS to the list of such statewide systems or funds.

New law establishes a funding deposit account (account) for the following systems: LARF, the Clerks of Court Retirement and Relief Fund (CLERKS), the Municipal Employees' Retirement System (MERS), the Parochial Employees' Retirement System (PERS), and ROVERS. Provides that the beginning balance of each system's account shall be set to zero as of Dec. 31, 2008. Further provides for each such system that all surplus funds collected shall be credited to the account for any fiscal year ending on or after Dec. 31, 2008, in which the board of trustees elects or previously elected to set the direct employer contribution rate higher than the minimum recommended rate.

New law specifies that the funds in the account shall earn interest annually at the board-approved actuarial valuation interest rate, and the interest shall be credited to the account at least once a year.

New law provides that beginning with the first valuation on or after Dec. 31, 2008, each system's board of trustees may direct the account funds be charged for the following purposes:

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

New law specifies that the funds charged from the account shall never exceed the outstanding account balance.

New law provides that if a system's board of trustees elects to charge funds from the account in order to pay all or a portion of future net direct employer contributions, the percent reduction in the minimum recommended employer contribution rate shall be determined by dividing the interest-adjusted value of the charges from the account by the projected payroll for the fiscal year for which the contribution rate is to be reduced.

New law specifies that, for funding purposes, any asset value utilized in the calculation of the actuarial value of assets of a system shall exclude the account balance as of the asset determination date for the calculation.

Effective June 30, 2009.

(Amends R.S. 11:105(A), 106(A), and 107(A); Adds R.S. 11:107.1)