RÉSUMÉ DIGEST

ACT 94 (SB 5) **2016 Regular Session** **Peacock**

Prior law, relative to the state retirement systems, required that the annual actuarially-required employer contribution to each system be a dollar amount equal to the sum of the cost of that year's benefit accruals and amortization payments for:

(1) The unfunded accrued liability (UAL) existing on June 30, 1988.

(2) The prior year's over- or under-payment of required contributions.

(3) Changes in actuarial accrued liability due to various events.

New law retains prior law and adds as an additional component of the sum of the cost of projected noninvestment related administrative expenses for that year.

New law states that the new component shall begin to be included in the calculation in the first fiscal year in which the projected aggregate employer contribution rate, calculated without regard to any changes in the board-approved actuarial valuation rate, will not increase.

Effective June 10, 2016.

(Adds R.S. 11:102(B)(3)(e))