

2026 Regular Session

SENATE BILL NO. 10

BY SENATOR PRICE AND REPRESENTATIVE BACALA

STATE POLICE RETIREMENT. Provides relative to the determination of employer contributions and amortization of certain actuarial gains. (gov sig)

1 AN ACT

2 To amend and reenact the introductory paragraph of R.S. 11:102(B)(1)(a), and
3 1332.1(B)(1)(d), and to repeal R.S. 11:102(F)(3), 102.4, and 1332, relative to the
4 Louisiana State Police Retirement System; to provide relative to determination of
5 employer contributions; to provide relative to amortization of certain actuarial gains;
6 to provide for an effective date; and to provide for related matters.

7 Notice of intention to introduce this Act has been published.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. The introductory paragraph of R.S. 11:102(B)(1)(a), and 1332.1(B)(1)(d)
10 are hereby amended and reenacted to read as follows:

11 §102. Employer contributions; determination; state systems

12 * * *

13 B.(1)(a) Except as provided in R.S. 11:102.1, 102.2, 102.3, ~~102.4~~, and 102.5
14 and in Paragraph (5) of this Subsection, for each fiscal year, commencing with Fiscal
15 Year 1989-1990, for each of the public retirement systems referenced in Subsection
16 A of this Section, the legislature shall set the required employer contribution rate for
17 each system or plan equal to the sum of the following:

* * *

§1332.1. Permanent benefit increase funding account

* * *

B.(1) The PBI account shall be credited as follows:

* * *

(d) In no event shall a credit be made to the PBI account that would cause the balance in the account to exceed the reserve necessary to grant two permanent benefit increases of two percent and two supplemental permanent benefit increases of two percent in accordance with the provisions of this Section. Any contributions received from payment of the account funding contribution rate in compliance with R.S. 11:102(F)(4) that would cause the account balance to exceed this reserve if deposited in the account ~~shall be applied as provided in R.S. 11:102.4~~ **shall be amortized based on the amortization period specified in R.S. 11:102(F)(2).**

* * *

Section 2. R.S. 11:102(F)(3), 102.4, and 1332 are hereby repealed.

Section 3. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

DIGEST

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Present law, relative to state retirement systems, generally provides for determination of actuarial liabilities and calculation of payments required to liquidate those liabilities. Beginning with Fiscal Year 1989–1990, and for each fiscal year thereafter, the legislature must set the employer contribution rate for each state retirement system, subject to certain statutory exceptions. The employer contribution rate is defined as the actuarially required employer contribution divided by the total projected payroll of all active members for that fiscal year.

Present law further provides for application of certain actuarial gains to reduce the payments

necessary to liquidate a system's liabilities, to reduce specific amortization bases of system debt, and for allocation of a portion of such gains to a side account, known as the experience account, which accumulates monies to fund benefit increases for retirees.

Proposed law repeals the present law (R.S. 11:102(F)(3)) provision that provides that actuarial gains allocated to the experience account must be recognized over a 10-year period.

Proposed law repeals present law (R.S. 11:102.4) provisions which establish a priority allocation of excess investment returns for the Louisiana State Police Retirement System to pay down the oldest unfunded pension liability before applying gains to other debt bases. Proposed law further repeals present law provisions relative to the calculation of the priority amount, application of excess gains to successive amortization bases, and related rules for amortization and adjustments as provided in R.S. 11:102.4.

Proposed law repeals present law provisions which establish criteria and procedures for permanent benefit increases (PBIs) in the Louisiana State Police Retirement System, including the conditions under which PBIs may be granted, the determination of amounts based on funded percentage and investment returns, the use and limitations of the system's experience account to fund such increases, eligibility requirements for retirees and beneficiaries, and related funding and distribution rules.

Present law requires that surplus funds be applied toward the priority allocation of excess returns for the reduction of the system debt. Proposed law modifies the treatment of employer contributions exceeding the maximum funding cap for PBIs by requiring excess amounts to be amortized over a specified period(s).

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 11:102(B)(1)(a)(intro para) and 1332.1(B)(1)(d); repeals R.S. 11:102(F)(3), 102.4, and 1332)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Clarifies that surplus employer contributions will be amortized as provided in current law.