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DIGEST

SB 10 Reengrossed

2026 Regular Session

Price

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.