The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Margaret M. Corley.

DIGEST

SB 5 Engrossed | 2016 Regular Session | Peacock

Present law provides that the annual actuarially-required employer contribution to each state retirement system shall 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.

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

Proposed 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))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Retirement to the original bill

1. Delays the start date for application of proposed law until 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 due to the provisions of proposed law.