

2016 Regular Session

HOUSE BILL NO. 54

BY REPRESENTATIVE FOIL

RETIREMENT/CLERKS COURT: Reamortizes the initial unfunded accrued liability (IUAL) of the Clerks of Court Retirement and Relief Fund as a level-dollar payment over the remaining life of the original IUAL amortization schedule

1 AN ACT

2 To amend and reenact R.S. 11:42(B)(introductory paragraph) and (2), relative to certain
3 unfunded accrued liabilities of the Clerks of Court Retirement and Relief Fund; to
4 provide with respect to payments on such debt; and to provide for related matters.

5 Notice of intention to introduce this Act has been published
6 as provided by Article X, Section 29(C) of the Constitution
7 of Louisiana.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 11:42(B)(introductory paragraph) and (2) are hereby amended and
10 reenacted to read as follows:

11 §42. Unfunded accrued liabilities; amortization

12 * * *

13 B. The provisions of this Subsection shall be implemented and accomplished
14 by the governing authorities of the state and statewide public retirement systems as
15 ~~set forth herein~~ follows.

16 * * *

17 (2) Clerks' of Court Retirement and Relief Fund. The unfunded accrued
18 liability, as of June 30, 1989, determined under the funding method specified in R.S.
19 11:22(B)(2), shall be amortized over a forty-year period, commencing with ~~fiscal~~
20 ~~year~~ Fiscal Year 1989-1990, with payments forming an annuity increasing at four

1 and three-quarters percent annually. However, effective for the June 30, 2016,
2 valuation and beginning July 1, 2016, the outstanding balance of this unfunded
3 accrued liability shall be amortized over the remaining thirteen-year period,
4 commencing with Fiscal Year 2016-2017, with level-dollar payments annually.

5 * *

6 Section 2. This Act shall become effective upon signature by the governor or, if not
7 signed by the governor, upon expiration of the time for bills to become law without signature
8 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
9 vetoed by the governor and subsequently approved by the legislature, this Act shall become
10 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, 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)]

HB 54 Engrossed

2016 Regular Session

Foil

Abstract: Reamortizes the initial unfunded accrued liability (IUAL) of the Clerks of Court Retirement and Relief Fund as a level-dollar payment over the remaining life of the original IUAL amortization schedule.

Present law establishes an amortization schedule for certain statewide retirement systems for their unfunded accrued liability existing as of the end of the system's fiscal year in 1989 (IUAL). Proposed law retains present law.

Present law for the Clerks of Court system establishes a 40-year amortization schedule for its IUAL debt. Proposed law retains present law.

Present law for the Clerks of Court system establishes an increasing payment schedule for the IUAL debt (4.75% annual increase). Proposed law eliminates the increasing payment schedule. Proposed law reamortizes the remaining balance of the original IUAL schedule as a level-dollar payment over the remainder of the original 40-year payment period.

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

(Amends R.S. 11:42(B)(intro. para.) and (2))