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

SB 20 Original | 2026 Regular Session | Price

Present law requires that the employer contribution rate for each state public retirement system, including Louisiana School Employees' Retirement System (LSERS), is based on the actuarially required employer contribution. This rate is determined by dividing the required employer contribution as determined by the actuary by the total payroll of active members of the system resulting in the aggregate employer contribution rate.

Proposed law changes the method for calculating the employer contribution rate for LSERS.

Present law requires that excess investment returns be applied to the amortization base. If the system's investment experience exceeds the actuarially assumed rate of return, the excess is applied to the oldest outstanding amortization base. Proposed law repeals the application of excess returns to the amortization base, as well as the "priority amount" and "priority allocation" mechanisms.

Present law provides that the experience account be credited with a portion of the system's net investment gains, subject to limitations, and be used to fund permanent benefit increases for retirees which requires that certain funding thresholds be met. This account is also debited for investment losses and benefit increases. Proposed law eliminates the mechanism for crediting and debiting the account based on investment gains and losess.

Present law provides that the account funding contribution rate is a component part of the employer contribution rate which is used to fund the permanent benefit increase amount and is subject to caps and adjustments based on the projected aggregate employer contribution rate. Proposed law removes the account funding contribution rate provisions.

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

(Amends R.S. 11:102(B)(1)(a)(intro para); repeals 11:102(E)(4), 102.3, and 1145.1)