

2026 Regular Session

SENATE BILL NO. 20

BY SENATOR PRICE

SCHOOL EMPLOYEES RET. 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 to repeal R.S.
3 11:102(E)(4), 102.3, and 1145.1, relative to the Louisiana School Employees'
4 Retirement System; to provide relative to determination of employer contributions;
5 to provide relative to amortization of certain actuarial gains; to provide for an
6 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) is hereby amended
10 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:

* * *

Section 2. R.S. 11:102(E)(4), 102.3, and 1145.1 are hereby repealed.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 in 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

SB 20 Engrossed

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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 losses.

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)