

Regular Session, 2012

SENATE BILL NO. 13

BY SENATOR GUILLORY

RETIREMENT SYSTEMS. Provides for use of entry age normal valuation method by Louisiana State Employees' Retirement System and Teachers' Retirement System of Louisiana. (7/1/12)

1 AN ACT

2 To amend and reenact R.S. 11:22(B)(6) and (13), relative to actuarial valuation methods; to
3 provide relative to the method utilized by the Louisiana State Employees' Retirement
4 System and the Teachers' Retirement System of Louisiana, to change such method
5 from projected unit credit to entry age normal; to provide for an effective date; and
6 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. R.S. 11:22(B)(6) and (13) are hereby amended and reenacted to read as
10 follows:

11 §22. Methods of actuarial valuation established

12 * * *

13 B. The following funding methods shall be utilized to determine actuarially
14 required contributions:

15 * * *

16 (6) Louisiana State Employees' Retirement System: ~~projected unit credit~~
17 **entry age normal.**

* * *

(13) Teachers' Retirement System of Louisiana: ~~projected unit credit~~ **entry age normal.**

* * *

Section 2. This Act shall become effective on July 1, 2012; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on July 1, 2012, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Laura Gail Sullivan.

DIGEST

Present constitution (Art.X, Sect. 29(E)(1)) provides that the legislature shall establish, by law, the particular method of actuarial valuation to be employed by each state or statewide retirement system for purposes of attaining and maintaining the actuarial soundness of such system.

Present law (R.S. 11:4(A)(1)(a) and (b)) provide that the La. State Employees' Retirement system (LASERS) and the Teachers' Retirement System of La. (TRSL) are state retirement systems.

Proposed law retains present law.

Present law (R.S. 11:22(B)(6) and (13)) provides that LASERS' and TRSL's valuation method shall be projected unit credit.

Proposed law changes the valuation method of both systems to entry age normal.

Effective July 1, 2012.

(Amends R.S. 11:22(B)(6) and (13))