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The original instrument was prepared by Laura Gail Sullivan. The following digest, which does not constitute a part of the legislative instrument, was prepared by Margaret M. Corley.

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## DIGEST

Guillory (SB 47)

Proposed law provides that it is the legislative intent of proposed law to attain and maintain the actuarial soundness of state and statewide retirement systems as required by present constitution (Art. X, §29).

Present law generally provides for a benefit calculation formula for members of each state system including the Louisiana State Employees' Retirement System (LASERS) and the Teachers' Retirement System of Louisiana (TRSL), typically consisting of:

(years of service) x (accrual rate) x (final average compensation (FAC))

Present law (R.S. 11:403(5) and 701(5)), relative to LASERS and TRSL, provides varying periods of FAC for members of those systems ranging from three to five years. FAC periods for LASERS and TRSL are as follows:

1. LASERS: Rank-and-file members hired on or before June 30, 2006, have a three-year FAC. Rank-and-file members hired after such date have a five-year FAC.
2. LASERS: Special groups such as the governor, lieutenant governor, and legislators, hired on or before Dec. 31, 2010, have a three-year FAC. Such members elected on or after Jan. 1, 2011, have a five-year FAC.
3. LASERS: Certain hazardous duty groups hired on or before Dec. 31, 2010, have a three-year FAC. Such members hired on or after Jan. 1, 2011, have a five-year FAC.
4. TRSL: Members hired on or before Dec. 31, 2010, have a three-year FAC. Members hired on or after Jan. 1, 2011, have a five-year FAC.

Proposed law provides that all members of LASERS who are in "hazardous duty" jobs and hired prior to June 30, 2006, shall retain the three-year FAC. For purposes of proposed law, "hazardous duty" jobs are:

1. Public safety services employees referred to as "member" or "members" in R.S. 11:601(B); peace officers employed by the Dept. of Public Safety and Corrections, office of state police, other than state troopers, as provided in R.S. 11:444(A)(2)(b); and personnel employed by the Dept. of Revenue, office of alcohol and tobacco control, as provided in R.S. 11:444(A)(2)(c).

2. Wildlife agents.
3. Bridge police.

Proposed law further provides that all "non-hazardous duty" employees in LASERS, as defined in proposed law, shall have a five-year FAC, regardless of the date of hire. Further provides that higher education employees, as defined in proposed law, in TRSL shall have a five-year FAC.

Proposed law requires the Public Retirement Systems' Actuarial Committee to meet to adopt a revised valuation for the systems, prepared as provided in R.S. 11:102, applying provisions contained in proposed law. The new valuation shall include a revised employer contribution rate for each plan within the system to be utilized in the fiscal year which begins on July 1, 2012.

Present law provides that valuations shall be presented to the committee for consideration by the legislative auditor's office and the retirement system. Proposed law expands the agencies which may present actuarial valuations to the Public Retirement Systems' Actuarial Committee for consideration to include the division of administration, for purposes of determining the employer contribution rate to be remitted for the fiscal year beginning July 1, 2012.

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Proposed law provides for an expedited hearing process if proposed law is subjected to legal challenges. Provides for severability if a court declares any provisions of proposed law to be unconstitutional as applicable to certain members of LASERS and TRSL, retaining application of the Act to the remaining members of the system.

Effective June 30, 2012.

(Amends R.S. 11:403(5) and 701(5)(b)-(e); adds R.S. 11:701(5)(f) and 331)

#### Summary of Amendments Adopted by Senate

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

1. Makes technical corrections.
2. Provides for an expedited hearing process.
3. Expands the agencies which may present actuarial valuations to the Public Retirement Systems' Actuarial Committee for consideration to include the division of administration, for purposes of determining the employer contribution rate to be remitted for the fiscal year beginning July 1, 2012.