

SENATE COMMITTEE AMENDMENTS

Amendments proposed by Senate Committee on Finance to Engrossed Senate Bill No. 47
by Senator Guillory

1 AMENDMENT NO. 1

2 On page 1, delete lines 2 through 4 in their entirety and insert:

3 "To amend and reenact R.S. 11:102(B)(1) and (3)(a) and (d)(i), (iv), (v), and (vii) and
4 (C)(2), (3), and (4)(a), 403(5)(a)(i) and (b)(i) and (ii), and 701(5)(a)(introductory paragraph)
5 and to enact R.S. 11:102(D) and 701(5)(f) and to repeal R.S. 11:403(5)(b)(iii), relative to"

6 AMENDMENT NO. 2

7 On page 1, delete lines 11 through 13 in their entirety and insert in lieu thereof the following:

8 "Section 1. R.S. 11:102(B)(1) and (3)(a) and (d)(i), (iv), (v), and (vii) and (C)(2), (3),
9 and (4)(a), 403(5)(a)(i) and (b)(i) and (ii), and 701(5)(a)(introductory paragraph) are hereby
10 amended and reenacted and R.S. 11:102(D) and 701(5)(f) are hereby enacted"

11 AMENDMENT NO. 3

12 On page 1, delete lines 15 through 17 in their entirety and on page 2 delete lines 1 through
13 4 in their entirety and insert in lieu thereof the following:

14 "§102. Employer contributions; determination; state systems

15 * * *

16 B.(1) Except as provided in Subsections **C and D** of this Section ~~for the Louisiana~~
17 ~~State Employees' Retirement System~~ and except as provided in R.S. 11:102.1 and 102.2 and
18 in Paragraph (5) of this Subsection, for each fiscal year, commencing with Fiscal Year
19 1989-1990, for each of the public retirement systems referenced in Subsection A of this
20 Section, the legislature shall set the required employer contribution rate equal to the
21 actuarially required employer contribution, as determined under Paragraph (3) of this
22 Subsection, divided by the total projected payroll of all active members of each particular
23 system for the fiscal year. Each entity funding a portion of a member's salary shall also fund
24 the employer's contribution on that portion of the member's salary at the employer
25 contribution rate specified in this Subsection.

26 * * *

27 (3) With respect to each state public retirement system, the actuarially required
28 employer contribution for each fiscal year, commencing with Fiscal Year 1989-1990, shall
29 be that dollar amount equal to the sum of:

30 (a) ~~The Except as provided in Subsection D of this Section,~~ the employer's normal
31 cost for that fiscal year, computed as of the first of the fiscal year using the system's actuarial
32 funding method as specified in R.S. 11:22 and taking into account the value of future
33 accumulated employee contributions and interest thereon, such employer's normal cost rate
34 multiplied by the total projected payroll for all active members to the middle of that fiscal
35 year. For the Louisiana State Employees' Retirement System, effective for the June 30,
36 2010, system valuation and beginning with Fiscal Year 2011-2012, the normal cost shall be
37 determined in accordance with Subsection C of this Section.

38 * * *

39 (d) That fiscal year's payment, computed as of the first of that fiscal year and
40 projected to the middle of that fiscal year at the actuarially assumed interest rate, necessary
41 to amortize changes in actuarial liability due to:

42 (i) Except as provided in Items (v), (vi), (vii), and (viii) of this Subparagraph **and in**
43 **Subsection D of this Section**, actuarial gains and losses, if appropriate for the funding
44 method used by the system as specified in R.S. 11:22, for each fiscal year beginning after
45 June 30, 1988, such payments to be computed as an amount forming an annuity increasing
46 at four and one-half percent annually over the later of a period of fifteen years from the year

1 of occurrence or by the year 2029, such gains and losses to include any increases in actuarial
2 liability due to governing authority granted cost-of-living increases.

3 * * *

4 (iv) Except as provided in Items (v), (vi), (vii), and (viii) of this Subparagraph **and**
5 **in Subsection D of this Section**, changes in actuarial accrued liability, computed using the
6 actuarial funding method as specified in R.S. 11:22, due to legislation changing plan
7 provisions, such payments to be computed in the manner and over the time period specified
8 in the legislation creating the change or, if not specified in such legislation, as an amount
9 forming an annuity increasing at four and one-half percent annually over the later of a period
10 of fifteen years from the year of occurrence of the change or by the year 2029.

11 (v) **Effective Except as provided in Subsection D of this Section, effective** July 1,
12 2004, and beginning with Fiscal Year 1998-1999, the amortization period for the changes,
13 gains, or losses of the Louisiana State Employees' Retirement System provided in Items (i)
14 through (iv) of this Subparagraph shall be thirty years, or in accordance with standards
15 promulgated by the Governmental Accounting Standards Board, from the year in which the
16 change, gain, or loss occurred. The outstanding balances of amortization bases established
17 pursuant to Items (i) through (iv) of this Subparagraph before Fiscal Year 1998-1999, shall
18 be amortized as a level dollar amount from July 1, 2004, through June 30, 2029. Beginning
19 with Fiscal Year 2003-2004, and for each fiscal year thereafter, the outstanding balances of
20 amortization bases established pursuant to Items (i) through (iv) of this Subparagraph shall
21 be amortized as a level dollar amount. For the Louisiana State Employees' Retirement
22 System, effective for the June 30, 2010, system valuation and beginning with Fiscal Year
23 2011-2012, amortization payments for changes in actuarial liability shall be determined in
24 accordance with Subsection C of this Section.

25 * * *

26 (vii) **Effective Except as provided in Subsection D of this Section, effective** July
27 1, 2004, and beginning with Fiscal Year 2000-2001, the amortization period for the changes,
28 gains, or losses of the Teachers' Retirement System of Louisiana provided in Items (i)
29 through (iv) of this Subparagraph shall be thirty years, or in accordance with standards
30 promulgated by the Governmental Accounting Standards Board, from the year in which the
31 change, gain, or loss occurred. The outstanding balances of amortization bases established
32 pursuant to Items (i) through (iv) of this Subparagraph before Fiscal Year 2000-2001, shall
33 be amortized as a level dollar amount from July 1, 2004, through June 30, 2029. Beginning
34 with Fiscal Year 2003-2004, and for each fiscal year thereafter, the outstanding balances of
35 amortization bases established pursuant to Items (i) through (iv) of this Subparagraph shall
36 be amortized as a level dollar amount.

37 * * *

38 C. * * *

39 (2) For the Louisiana State Employees' Retirement System, effective for the June 30,
40 2010, system valuation and beginning with Fiscal Year 2011-2012, the normal cost
41 calculated pursuant to Subparagraph (B)(3)(a) of this Section, shall be calculated separately
42 for each particular plan within the system. An employer shall pay employer contributions
43 for each employee at the rate applicable to the plan of which that employee is a member.
44 **Beginning with the June 30, 2012, system valuation, the normal cost for each plan shall**
45 **be subject to the provisions of Subsection D of this Section.**

46 (3) For the Louisiana State Employees' Retirement System, effective for the June 30,
47 2010, system valuation and beginning with Fiscal Year 2011-2012, changes in actuarial
48 liability due to legislation, changes in governmental organization, or reclassification of
49 employees or positions shall be calculated individually for each particular plan within the
50 system based on each plan's actuarial experience as further provided in Subparagraph (4)(c)
51 of this Subsection. **Beginning with the June 30, 2012, system valuation, this calculation**
52 **for each plan shall be subject to the provisions of Subsection D of this Section.**

53 (4) For each plan referenced in Paragraph (1) of this Subsection, the legislature shall
54 set the required employer contribution rate equal to the sum of the following:

55 (a) The particularized normal cost rate. The normal cost rate for each fiscal year
56 shall be the employer's normal cost for the plan computed by applying the method specified
57 in R.S. 11:102(B)(1) and (3)(a) to the plan. **Beginning with the June 30, 2012, system**
58 **valuation, the normal cost for each plan shall be subject to the provisions of Subsection**
59 **D of this Section.**

60 * * *

1 D. (1) The employer contribution rate for the Louisiana State Employees'
2 Retirement System and the Teachers' Retirement System of Louisiana, for any
3 valuation prepared following enactment of the Act that originated as Senate Bill No.
4 47 of the 2012 Regular Session, shall be the rate determined pursuant to Subsections
5 B and C of this Section without regard to any gains or changes in the normal cost rate
6 produced by the Act that originated as Senate Bill No. 47 of the 2012 Regular Session.
7 Neither the employer normal cost rate nor the amortization payments shall be reduced
8 as a result of the application of the provisions of the Act that originated as Senate Bill
9 No. 47 of the 2012 Regular Session.

10 (2) The amortization of any gain produced by the Act which originated as
11 Senate Bill No. 47 of the 2012 Regular Session plus the dollar amount attributable to
12 the difference between the employer normal cost rate required as calculated pursuant
13 to Paragraph (1) of this Subsection minus the employer normal cost rate calculated
14 pursuant to the provisions of Subsections B and C of this Section without regard to
15 Paragraph (1) of this Subsection shall be determined and applied as follows for each
16 year beginning with Fiscal Year 2013-14:

17 (a) To the outstanding balance of the original amortization base without
18 reamortization of such base and until such base is fully liquidated.

19 (b) After the liquidation of the original amortization base, to the outstanding
20 balance of the experience account amortization base without reamortization of such
21 base and until such base is fully liquidated.

22 (c) After the liquidation of the experience account amortization base, to the
23 balance of the oldest outstanding amortization base without reamortization of such
24 base and until all such bases are fully liquidated."

25 AMENDMENT NO. 4

26 On page 2, delete lines 10 through 16 in their entirety and insert in lieu thereof the following:

27 "(5)(a)(i) "Average compensation", for a member to whom R.S. 11:441(D), (E), or
28 (F) applies, and for a member whose first employment making him eligible for
29 membership in the system began on or before June 30, 2006, who retires or enters the
30 Deferred Retirement Option Plan on or before June 30, 2013, and for any person who
31 receives an additional benefit pursuant to R.S. 11:444(A)(2)(b) or (c), 557, 582, or 602 ~~or~~
32 ~~R.S. 24:36~~ whose first employment making him eligible for membership in one of the state
33 systems occurred on or before December 31, 2010, means the average annual earned
34 compensation ~~of a state employee~~ for the thirty-six highest months of "

35 AMENDMENT NO. 5

36 On page 2, line 21 after "basis" delete the remainder of the line and delete lines 22 through
37 29 in their entirety and on page 3 delete lines 1 through 23 in their entirety and insert a
38 period "." and the following:

39 " * * *

40 (b)(i) "Average compensation", for a member ~~whose first employment making him~~
41 ~~eligible for membership in the system began on or after July 1, 2006, and subject to the~~
42 ~~limitations provided in this Subparagraph,~~ who is not covered by Subparagraph (a) of this
43 Paragraph means the average annual earned compensation ~~of a state employee~~ for the sixty
44 highest months of successive employment or for the highest sixty successive joined months
45 of employment where interruption of service occurred; however, average compensation for
46 part-time employees who do not use sixty months of full-time employment for average
47 compensation purposes shall be based on the base pay the part-time employee would have
48 received had he been employed on a full-time basis. This Item shall ~~also~~ be applicable to
49 any ~~judge, court officer,~~ governor, lieutenant governor, member of the legislature, clerk
50 or sergeant-at-arms of the House of Representatives, secretary or sergeant-at-arms of the
51 Senate, or state treasurer. This Item shall also be applicable to any judge or court officer
52 whose first employment making him eligible for membership in one of the state systems
53 occurred on or after January 1, 2011."

1 AMENDMENT NO. 6

2 On page 4, delete lines 15 through 18 in their entirety

3 AMENDMENT NO. 7

4 On page 4, delete lines 25 through 29 in their entirety and on page 5 delete lines 1 through
5 6 in their entirety and insert in lieu thereof the following:

6 " (5)(a) "Average compensation" subject to the other provisions of this Paragraph, for
7 any teacher **not listed in Subparagraph (f) of this Paragraph** whose first employment
8 making him eligible for membership in one of the state systems occurred on or before
9 December 31, 2010, means the average earnable compensation of a teacher for the three
10 highest successive years of employment, or the highest three successive joined years of
11 employment where interruption of service occurred. For any teacher whose first employment
12 making him eligible for membership in one of the state systems occurred on or after January
13 1, 2011, **and for any teacher listed in Subparagraph (f) of this Paragraph** "average
14 compensation" means his average earnable compensation for the five highest successive
15 years of employment, or the highest five successive joined years where interruption of
16 service occurred. The computation of such average compensation shall be in accordance
17 with the following guidelines:

18 * * *

19 **(f) Regardless of the first date of employment making the teacher eligible for**
20 **membership in a state retirement system and except for a member who is employed by**
21 **an institution of postsecondary education or a postsecondary education management**
22 **board for the sole purpose of providing instruction or administrative services at the**
23 **primary or secondary level, including at any lab school and the Louisiana School for**
24 **Math, Science, and the Arts, "average compensation" for any member who is employed**
25 **by an institution of postsecondary education, the Board of Regents, or a postsecondary**
26 **education management board, means his average earnable"**

27 AMENDMENT NO. 8

28 On page 5, delete lines 10 through 29 in their entirety and delete page 6 in its entirety and
29 on page 7, delete lines 1 through 24 and insert the following:

30 **"accordance with the guidelines in Items (a)(i) through (a)(v) of this Paragraph.**

31 * * *

32 Section 2. R.S. 11:403(5)(b)(iii) is hereby repealed.
33 Section 3. The provisions of this Act shall not cause the average compensation
34 expressed in dollars of any member retiring or entering the Deferred Retirement Option Plan
35 on or after July 1, 2013, to be less than such member's average compensation expressed in
36 dollars as it existed on June 30, 2013.
37 Section 4. The provisions of this Act shall not apply to any person whose date of
38 retirement or entry into the Deferred Retirement Option Plan occurs on or before June 30,
39 2013.
40 Section 5. This Act shall be implemented according to the provisions of this Section.
41 (A) For transitional purposes, the provisions of R.S. 11:403(5) and 701(5) as
42 amended by this Act shall be phased in as follows:
43 (1) For members retiring before July 1, 2013, the provisions of R.S. 11:403(5) and
44 701(5) shall apply as they existed before the effective date of this Act.
45 (2) For those members retiring on or after July 1, 2013, and on or before June 30,
46 2015, the period used to calculate monthly average final compensation shall be thirty-six
47 months plus the number of whole months since July 1, 2013.
48 (B) For transitional purposes, the provisions of this Act as applied to R.S. 11:450(D)
49 and 789(D) shall be phased in as follows:
50 (1) For members entering the Deferred Retirement Option Plan before July 1, 2015,
51 the period of additional service required and utilized to calculate a revised average

1 compensation for the supplemental benefit after Deferred Retirement Option Plan
2 participation shall be equal to thirty-six months plus the number of whole months from July
3 1, 2013, to the date of Deferred Retirement Option Plan entry.

4 (2) For members entering the plan on or after July 1, 2015, the provisions of this Act
5 shall apply."

6 AMENDMENT NO. 9

7 On page 7, at the beginning of line 25, change "(B)" to "Section 6."

8 AMENDMENT NO. 10

9 On page 7, line 25, after "Committee" delete the remainder of the line and insert "may"

10 AMENDMENT NO. 11

11 On page 7, line 26, delete "or revised employer contribution rate"

12 AMENDMENT NO. 12

13 On page 7, line 27, change "2012" to "2013"

14 AMENDMENT NO. 13

15 On page 8, line 2 change "Section 6" to "Section 7"

16 AMENDMENT NO. 14

17 On page 8, delete lines 11 and 12 and insert "Act. In the interest of further expediting this
18 procedure, the"

19 AMENDMENT NO. 15

20 On page 8, line 18 change "Section 7" to "Section 8"

21 AMENDMENT NO. 16

22 On page 8, between lines 21 and 22, insert the following:

23 "Section 9. The provisions of this Act and the provisions of the Acts which
24 originated as Senate Bill No. 749 and Senate Bill No. 52 of the 2012 Regular Session shall
25 not apply to any member of the Teachers' Retirement System of Louisiana whose
26 membership in the system is based solely on employment as a teacher in a public elementary
27 or secondary school."

28 AMENDMENT NO. 17

29 On page 8, line 22 change "Section 8" to "Section 10"