

2016 Regular Session

HOUSE BILL NO. 47

BY REPRESENTATIVE IVEY

RETIREMENT/FUNDING: Provides for the assessment of employer contributions to fund certain administrative expenses of state retirement systems

1 AN ACT

2 To amend and reenact R.S. 11:102(B)(3)(introductory paragraph) and to enact R.S.
3 11:102(B)(3)(e), relative to expenses of state retirement systems; to provide for
4 funding of certain administrative expenses through employer contributions; to
5 provide for determination of the amount to be paid; and to provide for related
6 matters.

7 Notice of intention to introduce this Act has been published
8 as provided by Article X, Section 29(C) of the Constitution
9 of Louisiana.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 11:102(B)(3)(introductory paragraph) is hereby amended and
12 reenacted and R.S. 11:102(B)(3)(e) is hereby enacted to read as follows:

13 §102. Employer contributions; determination; state systems

14 * * *

15 B.

16 * * *

17 (3) With respect to each state public retirement system, the actuarially
18 required employer contribution for each fiscal year, ~~commencing with Fiscal Year~~
19 ~~1989-1990~~, shall be that dollar amount equal to the sum of:

20 * * *

1 (e) The projected noninvestment related administrative expenses for the
2 fiscal year.

3 * * *

4 Section 2. This Act shall become effective on June 30, 2016; if vetoed by the
5 governor and subsequently approved by the legislature, this Act shall become effective on
6 June 30, 2016, or on the day following such approval by the legislature, whichever is later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, 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)]

HB 47 Original

2016 Regular Session

Ivey

Abstract: Requires administrative expenses of state retirement systems to be calculated on a prospective basis and added into the employer contributions of each system instead of assessed as a net loss each year and amortized as a debt over 30 years.

Present law is silent as to how administrative expenses for retirement systems are to be paid. The state retirement systems generally amortize the prior year's administrative expenses as a debt over a period of 30 years.

Proposed law requires that each state system fund noninvestment administrative expenses by including the projected cost of such expenses as a piece of the annual required employer contribution to the system.

Effective June 30, 2016.

(Amends R.S. 11:102(B)(3)(intro. para.); Adds R.S. 11:102(B)(3)(e))