

Regular Session, 2011

HOUSE BILL NO. 495

BY REPRESENTATIVE PEARSON AND SENATOR GAUTREAUX

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

1 AN ACT

2 To amend and reenact R.S. 11:102(B)(1) and to enact R.S. 11:102(D), relative to certain  
3 state retirement systems; to provide relative to employer contributions; to provide for  
4 direct appropriation of certain amortization payments; to provide for an effective  
5 date; and to provide for related matters.

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

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:102(B)(1) is hereby amended and reenacted and R.S. 11:102(D)  
11 is hereby enacted to read as follows:

12 §102. Employer contributions; determination; state systems

13 \* \* \*

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

1 employer's contribution on that portion of the member's salary at the employer  
 2 contribution rate specified in this Subsection.

3 \* \* \*

4 D.(1) For the Teachers' Retirement System of Louisiana, beginning with the  
 5 system valuation for the fiscal year ending June 30, 2011, the valuation adopted by  
 6 the Public Retirement Systems' Actuarial Committee shall, in addition to the rate  
 7 calculated pursuant to the provisions of Subsection B of this Section, include a  
 8 separate calculation of each of the following:

9 (a)(i) The amortization payment in R.S. 11:102(B)(3)(b).

10 (ii) The amortization payment in R.S. 11:102(B)(3)(b) without the midyear  
 11 interest payment.

12 (b)(i) The amortization payment in R.S. 11:102(B)(3)(d).

13 (ii) The amortization payment in R.S. 11:102(B)(3)(d) without the midyear  
 14 interest payment.

15 (c) An adjusted employer contribution rate which has been reduced to reflect  
 16 the direct amortization payments provided for in this Subsection.

17 (2)(a) Beginning with payments due in Fiscal Year 2012-2013, each year's  
 18 amortization payments required pursuant to R.S. 11:102(B)(3)(b) and (d) and  
 19 calculated as provided in Items (1)(a)(ii) and (1)(b)(ii) of this Subsection shall be  
 20 made in a lump sum payment as soon as practicable after July first.

21 (b) The treasurer shall remit such payments directly to the system from any  
 22 available source of monies otherwise appropriated to fund any employer as defined  
 23 in R.S. 11:701(11). Each employer's proportionate share of the amortization  
 24 payments calculated as provided in Items (1)(a)(i) and (1)(b)(i) of this Subsection  
 25 shall be deducted from any funds appropriated to or for the use of the employer,  
 26 including funds allocated to the employer through the Minimum Foundation Program  
 27 block grant. The funds appropriated or allocated to each employer, net of the  
 28 amortization payments being remitted to the system by the treasurer, shall be made  
 29 available to the employer in equal periodic installments. Such installments shall not  
 30 be made less frequently than on a monthly basis.

1                   (3)(a) The employer contribution rate to be paid by participating employers  
2                   shall be the amount calculated in Subparagraph (1)(c) of this Subsection.

3                   (b) If for any fiscal year an employer objects to the direct amortization  
4                   payments provided in this Subsection, the employer shall inform the treasurer and  
5                   the retirement system by the April first prior to the July first commencement of such  
6                   fiscal year that the employer has elected to pay the contribution rate calculated  
7                   pursuant to Subsection B of this Section.

8                   (4) By the May first prior to the July first commencement of the fiscal year,  
9                   the system shall provide the treasurer with a statement of the amortization payment  
10                  to be withheld on behalf of each employer not availing itself of Subparagraph (3)(b)  
11                  of this Subsection.

12                  (5) By the March first prior to the July first commencement of the fiscal  
13                  year, the system shall notify each employer of its ability to avail itself of  
14                  Subparagraph (3)(b) of this Subsection.

15                  Section 2. This Act shall become effective on June 30, 2011; if vetoed by the  
16                  governor and subsequently approved by the legislature, this Act shall become effective on  
17                  June 30, 2011, or on the day following such approval by the legislature, whichever is later.

\_\_\_\_\_  
SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
PRESIDENT OF THE SENATE

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.