

**ACT No. 371**

2015 Regular Session

HOUSE BILL NO. 56

BY REPRESENTATIVE HOFFMANN

1 AN ACT

2 To enact R.S. 11:1658 and 1659, relative to the District Attorneys' Retirement System; to  
3 authorize the board of trustees of the system to modify employer contribution rates  
4 in certain circumstances; to require promulgation of rules for such modification; to  
5 establish a funding deposit account within the system; 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. 11:1658 and 1659 are hereby enacted to read as follows:

12 §1658. Employer contributions; maintaining rates; increasing rates; reducing rate  
13 decreases

14 A. Notwithstanding the provisions of R.S. 11:103 and 104, in any fiscal year  
15 the board of trustees is authorized to take any of the following actions:

16 (1) Maintain the net direct employer contribution rate in effect at the time  
17 that a decrease would otherwise occur pursuant to R.S. 11:103.

18 (2) Require a net direct contribution rate of up to three percentage points  
19 more than the rate determined under R.S. 11:103.

20 (3) Set the employer contribution rate at any point between the previous  
21 year's employer contribution rate and a decreased rate that would otherwise occur  
22 pursuant to R.S. 11:103.

1           B. Any excess funds resulting from application of Subsection A of this  
 2           Section shall be combined with any contribution surplus or offset by any contribution  
 3           shortfall, and the resulting balance, if greater than zero, shall be accumulated in the  
 4           funding deposit account pursuant to R.S. 11:1659.

5           C. Any contribution rate adjustment pursuant to the provisions of this  
 6           Section shall be made by promulgation of rules adopted in accordance with the  
 7           provisions of the Administrative Procedure Act.

8           §1659. Funding deposit account

9           A.(1) There shall be established a funding deposit account for the system.  
 10          The account shall be credited and charged as provided in this Section.

11          (2) Notwithstanding any provision of law to the contrary, for any fiscal year  
 12          in which the board of trustees exercises the authority granted in R.S. 11:1658 to set  
 13          the net direct employer contribution rate higher than the minimum recommended rate  
 14          pursuant to R.S. 11:103, all surplus funds collected by the system shall be credited  
 15          to the system's funding deposit account.

16          B. The funds in the account shall earn interest annually at the  
 17          board-approved actuarial valuation interest rate, and the interest shall be credited to  
 18          the account at least once a year.

19          C. The board of trustees may in any fiscal year direct that funds from the  
 20          account be charged for the following purposes:

21           (1) To reduce the present value of future normal costs.

22           (2) To pay all or a portion of any future net direct employer contributions.

23           (3)(a) To provide for a cost-of-living adjustment, pursuant to applicable law.

24           (b) Notwithstanding the provisions of R.S. 11:243(G)(1), in order to exercise  
 25          the authority to grant an increase pursuant to the provisions of Subparagraph (a) of  
 26          this Paragraph, an increase shall satisfy the requirements of R.S. 11:243(G)(3).

27          D. In no event shall the funds charged from the account exceed the  
 28          outstanding account balance.

29          E. If the board of trustees elects to charge funds from the funding deposit  
 30          account pursuant to Paragraph (C)(2) of this Section, the percent reduction in the

1           minimum recommended employer contribution rate otherwise applicable shall be  
 2           determined by dividing the interest-adjusted value of the charges from the funding  
 3           deposit account by the projected payroll for the fiscal year for which the contribution  
 4           rate is to be reduced.

5           F. For funding purposes, any asset value utilized in the calculation of the  
 6           actuarial value of assets of a system shall exclude the funding deposit account  
 7           balance as of the asset determination date for the calculation.

8           G. For all purposes other than funding, the funds in the account shall be  
 9           considered assets of the system.

10           H. The authority granted to the board of trustees pursuant to Subsection C  
 11           of this Section shall be exercised by promulgation of rules in accordance with the  
 12           provisions of the Administrative Procedure Act.

13           Section 2. This Act shall become effective on June 30, 2015; if vetoed by the  
 14           governor and subsequently approved by the legislature, this Act shall become effective on  
 15           June 30, 2015, or on the day following such approval by the legislature, whichever is later.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

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