

Regular Session, 2010
HOUSE BILL NO. 748
BY REPRESENTATIVE PEARSON

ACT No. 1026

1 AN ACT

2 To amend and reenact R.S. 11:102(B)(1), (2)(introductory paragraph), (b)(i) and (ii), and (c),
3 (3)(a) and (d)(v), (4), and (5)(b) and to enact R.S. 11:102(C), relative to the
4 Louisiana State Employees' Retirement System; to provide relative to system
5 funding; to require individualized normal cost payments for employers; to require
6 individualized payments for changes in actuarial liability for employers; to provide
7 an effective date; and to provide for related matters.

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

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 11:102(B)(1), (2)(introductory paragraph), (b)(i) and (ii), and (c),
13 (3)(a) and (d)(v), (4), and (5)(b) are hereby amended and reenacted and R.S. 11:102(C) is
14 hereby enacted to read as follows:

15 §102. Employer contributions; determination; state systems

16 * * *

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

1 June 30, 2010, system valuation and beginning with Fiscal Year 2011-2012,
2 amortization payments for changes in actuarial liability shall be determined in
3 accordance with Subsection C of this Section.

4 * * *

5 (4) At the end of the fiscal year during which the assets of a system,
6 excluding the outstanding balance due to Subparagraph B(3)(c) of this Section,
7 exceed the actuarial accrued liability of that system, the amortization schedules
8 contained in Subparagraphs B(3)(b) and (d) or in Subsection C of this Section of this
9 Section shall be fully liquidated and assets in excess of the actuarial accrued liability
10 shall be amortized as a credit in accordance with the provisions of Subparagraph
11 B(3)(d) of this Section.

12 (5)(a)

13 * * *

14 (b) At the end of each fiscal year, the difference, if any, by which the amount
15 of contributions received from payment of all employer contributions at the fixed
16 minimum employer contribution rate established pursuant to this Paragraph exceeds
17 the greater of the minimum employer contribution required by Article X, Section 29
18 of the Constitution of Louisiana or the statutory minimum employer contribution ~~rate~~
19 calculated according to the methodology provided for in Items (3)(d)(i) through (iv)
20 of this Subsection or in Paragraph (C)(4) of this Section shall be accumulated in an
21 employer credit account for the respective system.

22 * * *

23 C.(1) This Subsection shall be applicable to the Louisiana State Employees'
24 Retirement System effective for the June 30, 2010, system valuation and beginning
25 Fiscal Year 2011-2012. For purposes of this Subsection, "plan" or "plans" shall
26 mean a subgroup within the system characterized by the following employee
27 classifications:

28 (a) Rank-and-file members of the system.

29 (b) Full-time law enforcement personnel, supervisors, or administrators who
30 are employed with the Department of Revenue or office of alcohol and tobacco

1 control and who are P.O.S.T. certified, have the power to arrest, and hold a
2 commission from such office.

3 (c) Peace officers, as defined by R.S. 40:2402(3)(a), employed by the
4 Department of Public Safety and Corrections, office of state police, other than state
5 troopers.

6 (d) Judges and court officers to whom Subpart A of Part VII of Chapter 1 of
7 Subtitle II of this Title is applicable.

8 (e) Wildlife agents to whom Subpart B of Part VII of Chapter 1 of Subtitle
9 II of this Title is applicable.

10 (f) Wardens, correctional officers, probation and parole officers, and security
11 personnel employed by the Department of Public Safety and Corrections who are
12 members of the secondary component pursuant to Subpart C of Part VII of Chapter
13 1 of Subtitle II of this Title.

14 (g) Correctional officers, probation and parole officers, and security
15 personnel employed by the Department of Public Safety and Corrections who are
16 members of the primary component.

17 (h) Legislators, the governor, and the lieutenant governor.

18 (i) Employees of the bridge police section of the Crescent City Connection
19 Division of the Department of Transportation and Development.

20 (j) Hazardous duty plan members as provided pursuant to the provisions of
21 the Act that originated as House Bill No. 1337 of the 2010 Regular Session.

22 (k) Judges as provided pursuant to the provisions of the Act which originated
23 as House Bill No. 1337 of the 2010 Regular Session.

24 (l) Any other specialty retirement plan provided for a subgroup of system
25 members. If the legislation enacting such a plan is silent as to the application of this
26 Subsection, the Public Retirement Systems' Actuarial Committee shall provide for
27 the application to such plan.

28 (2) For the Louisiana State Employees' Retirement System, effective for the
29 June 30, 2010, system valuation and beginning with Fiscal Year 2011-2012, the
30 normal cost calculated pursuant to Subparagraph (B)(3)(a) of this Section, shall be

1 calculated separately for each particular plan within the system. An employer shall
2 pay employer contributions for each employee at the rate applicable to the plan of
3 which that employee is a member.

4 (3) For the Louisiana State Employees' Retirement System, effective for the
5 June 30, 2010, system valuation and beginning with Fiscal Year 2011-2012, changes
6 in actuarial liability due to legislation, changes in governmental organization, or
7 reclassification of employees or positions shall be calculated individually for each
8 particular plan within the system based on each plan's actuarial experience as further
9 provided in Subparagraph (4)(c) of this Subsection.

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

13 (a) The particularized normal cost rate. The normal cost rate for each fiscal
14 year shall be the employer's normal cost for the plan computed by applying the
15 method specified in R.S. 11:102(B)(1) and (3)(a) to the plan.

16 (b) The shared unfunded accrued liability rate. A single rate shall be
17 computed for each fiscal year, applicable to all plans for actuarial changes, gains, and
18 losses existing on June 30, 2010, or occurring thereafter, including experience and
19 investment gains and losses, which are independent of the existence of the plans
20 listed in Paragraph (1) of this Subsection, the payment and rate therefor shall be
21 calculated as provided in Paragraphs (B)(1) and (3) of this Section.

22 (c) The particularized unfunded accrued liability rate. For actuarial changes,
23 gains, and losses, excluding experience and investment gains and losses, first
24 recognized in the June 30, 2010, valuation or in any later valuation, attributable to
25 one or more, but not all, plans listed in Paragraph (1) of this Subsection or to some
26 new plan or plans, created, implemented, or enacted after the effective date of this
27 Subsection, a particularized contribution rate shall be calculated as provided in
28 Paragraphs (B)(1) and (3) of this Section.

29 (d) The shared gross employer contribution rate difference. The gross
30 employer contribution rate difference shall be the difference between the minimum

1 gross employer contribution rate provided in Paragraph (B)(5) of this Section and the
2 aggregate employer contribution rate calculated pursuant to the provisions of
3 Subsection B of this Section.

4 (5) Each entity funding a portion of the member's salary shall also fund the
5 employer's contribution on that portion of the member's salary at the employer
6 contribution rate specified in this Subsection.

7 (6) For purposes of Paragraph (B)(2) of this Section the actuarially required
8 employer contributions and the employer contributions actually received for all plans
9 shall be totaled and treated as a single contribution.

10 (7) If provisions of this Section cover matters not specifically addressed by
11 the provisions of this Subsection, then those provisions shall be applicable.

12 Section 2. This Act shall become effective on July 1, 2010; if vetoed by the governor
13 and subsequently approved by the legislature, this Act shall become effective on July 1,
14 2010, 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.