Regular Session, 2010

HOUSE BILL NO. 931

BY REPRESENTATIVE TUCKER

RETIREMENT/STATE EMPS: (Constitutional Amendment) Relative to state retirement systems, permits the legislature to establish a defined contribution plan for new hires

| 1 | A JOINT RESOLUTION |
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| 2 | Proposing to amend Article X, Sections 29(A) and (B) of the Constitution of Louisiana and |
| 3 | to add Article X, Sections 29(F) of the Constitution of Louisiana, relative to state |
| 4 | retirement systems; to provide for the establishment of a defined contribution plan |
| 5 | within such systems; to provide for participation by certain persons; to provide for |
| 6 | submission of the proposed amendment to the electors; and to provide for related |
| 7 | matters. |
| 8 | Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members |
| 9 | elected to each house concurring, that there shall be submitted to the electors of the state of |
| 10 | Louisiana, for their approval or rejection in the manner provided by law, a proposal to |
| 11 | amend Article X, Sections 29(A) and (B) of the Constitution of Louisiana, and to add Article |
| 12 | X, Sections 29(F) of the Constitution of Louisiana of the Constitution of Louisiana, to read |
| 13 | as follows: |
| 14 | §29. Retirement and Survivor's Benefits |
| 15 | Section 29.(A) Public School Employees. The legislature shall provide for |
| 16 | retirement of teachers and other employees of the public educational system through |
| 17 | establishment of one or more retirement systems. Membership in such a retirement |
| 18 | system shall be a contractual relationship between employee and employer, and the |
| 19 | state shall guarantee benefits payable to a member or retiree or to his lawful |
| 20 | beneficiary upon his death, except as provided in Paragraph (F) of this Section. |

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

| 1 | (B) Other Officials and Employees. The legislature shall enact laws |
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| 2 | providing for retirement of officials and employees of the state, its agencies, and its |
| 3 | political subdivisions, including persons employed jointly by state and federal |
| 4 | agencies other than those in military service, through the establishment of one or |
| 5 | more retirement systems. Membership in any retirement system of the state or of a |
| 6 | political subdivision thereof shall be a contractual relationship between employee |
| 7 | and employer, and the state shall guarantee benefits payable to a member of a state |
| 8 | retirement system or retiree or to his lawful beneficiary upon his death, except as |
| 9 | provided in Paragraph (F) of this Section. |
| 10 | * * * |
| 11 | F. Defined Contribution Plans. Notwithstanding any provision of this |
| 12 | constitution to the contrary, the legislature may provide for the establishment of a |
| 13 | defined contribution plan for members of state retirement systems whose first |
| 14 | employment making them eligible for system membership occurs on or after January |
| 15 | <u>1, 2011.</u> |
| 16 | Section 2. Be it further resolved that this proposed amendment shall be submitted |
| 17 | to the electors of the state of Louisiana at the statewide election to be held on November 2, |
| 18 | 2010. |
| 19 | Section 3. Be it further resolved that on the official ballot to be used at said election |
| 20 | there shall be printed a proposition, upon which the electors of the state shall be permitted |
| 21 | to vote FOR or AGAINST, to amend the Constitution of Louisiana, which proposition shall |
| 22 | read as follows: |
| 23 | To permit the legislature to establish a defined contribution plan for members |
| 24 | of state retirement systems hired on or after January 1, 2011. (Amends |
| 25 | Article X, Sections 29(A) and (B); Adds Article X, Section 29(F)) |

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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)]

Tucker

HB No. 931

Abstract: Permits the legislature to establish a defined contribution plan for members of state retirement systems hired on or after Jan. 1, 2011.

<u>Present constitution</u> provides for retirement and survivor's benefits for public employees and officials, including public school employees. Provides that membership in a retirement system for employees of the public educational system or for officials and employees of the state, its agencies, and its political subdivisions shall be a contractual relationship between employee and employer. Provides that the state shall guarantee benefits payable to a member of a state retirement system.

The state retirement systems are:

- (1) The La. State Employees' Retirement System.
- (2) The Teachers' Retirement System of La.
- (3) The La. School Employees' Retirement System.
- (4) The State Police Pension and Retirement System.

<u>Proposed constitutional amendment</u> retains <u>present constitution</u> but authorizes the legislature to establish a defined contribution plan for members of state retirement systems hired on or after Jan. 1, 2011, in which case <u>present constitution's</u> guarantee of benefits shall not apply.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 2, 2010.

(Amends Const. Art. X, §§ 29(A) and (B); Adds Const. Art. X, § 29(F))