

Regular Session, 2012

SENATE BILL NO. 17

BY SENATOR PEACOCK

RETIREMENT BENEFITS. Constitutional Amendment to change state employees from a defined benefit retirement plan to a defined contribution plan. (2/3 - CA13s1(A))

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A JOINT RESOLUTION

Proposing to amend Article X, Section 29(A) and (B) of the Constitution of Louisiana, and to add Article X, Section 29(G) of the Constitution of Louisiana, relative to state retirement systems; to provide for the establishment of a defined contribution plan within such systems; to provide for participation by certain persons; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to amend Article X, Section 29(A) and (B) of the Constitution of Louisiana, and to add Article X, Section 29(G) of the Constitution of Louisiana, to read as follows:

§29. Retirement and Survivor's Benefits

Section 29.(A) Public School Employees. The legislature shall provide for retirement of teachers and other employees of the public educational system through establishment of one or more retirement systems. Membership in such a retirement

1 system shall be a contractual relationship between employee and employer, and,
2 **except as provided in Paragraph (G) of this Section,** the state shall guarantee
3 benefits payable to a member or retiree or to his lawful beneficiary upon his death.

4 (B) Other Officials and Employees. The legislature shall enact laws providing
5 for retirement of officials and employees of the state, its agencies, and its political
6 subdivisions, including persons employed jointly by state and federal agencies other
7 than those in military service, through the establishment of one or more retirement
8 systems. Membership in any retirement system of the state or of a political
9 subdivision thereof shall be a contractual relationship between employee and
10 employer, and, **except as provided in Paragraph (G) of this Section,** the state shall
11 guarantee benefits payable to a member of a state retirement system or retiree or to
12 his lawful beneficiary upon his death.

13 * * *

14 **(G) Defined Contribution Plans. Notwithstanding any provision of this**
15 **constitution to the contrary, the legislature may provide for the establishment**
16 **of a defined contribution plan for members of state retirement systems whose**
17 **first employment making them eligible for system membership occurs on or**
18 **after January 1, 2013.**

19 Section 2. Be it further resolved that this proposed amendment shall be submitted
20 to the electors of the state of Louisiana at the statewide election to be held on November 6,
21 2012.

22 Section 3. Be it further resolved that on the official ballot to be used at said election
23 there shall be printed a proposition, upon which the electors of the state shall be permitted
24 to vote FOR or AGAINST, to amend the Constitution of Louisiana, which proposition shall
25 read as follows:

26 To permit the legislature to establish a defined contribution plan for members
27 of state retirement systems hired on or after January 1, 2013. (Amends
28 Article X, Section 29(A) and (B); Adds Article X, Section 29(G))

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Laura Gail Sullivan.

DIGEST

Present constitution 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.

Proposed constitutional amendment retains present constitution but authorizes the legislature to establish a defined contribution plan for members of state retirement systems hired on or after Jan. 1, 2013, in which case present constitution's guarantee of benefits shall not apply.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 6, 2012.

(Amends Const. Art. X, Sec. 29(A) and (B); adds Const. Art. X, Sec. 29(G))