

Regular Session, 2012

SENATE BILL NO. 52

BY SENATOR GUILLORY

RETIREMENT SYSTEMS. Increases the employee contribution rate for certain members of state retirement systems. (7/1/12)

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AN ACT

To amend and reenact R.S. 11:62(5)(a), (c), and (e) and (11)(c) and to enact R.S. 11:62(11)(d) and Subpart P of Part II of Chapter 4 of Subtitle I of Title 11 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 11:331, relative to certain members of the Louisiana State Employees' Retirement System and certain postsecondary education members of the Teachers' Retirement System of Louisiana; to increase employee contribution rates; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:62(5)(a), (c), and (e) and (11)(c) are hereby amended and reenacted and R.S. 11:62(11)(d) and Subpart P of Part II of Chapter 4 of Subtitle I of Title 11 of the Louisiana Revised Statutes of 1950, comprised of R.S. 11:331, are hereby enacted to read as follows:

§62. Employee contribution rates established

Employee contributions to state and statewide public retirement systems shall be paid at the following rates, except as otherwise provided by law:

\* \* \*

1 (5) Louisiana State Employees' Retirement System:

2 (a) Judges, court officers, the governor, lieutenant governor, and legislators:

3 (i) Employees whose first employment making them eligible for membership  
4 in one of the state systems occurred on or before December 31, 2010 - ~~11.5%~~ **14.5%**.

5 (ii) Employees, other than judges in Item (iii) of this Subparagraph, whose  
6 first employment making them eligible for membership in one of the state systems  
7 occurred on or after January 1, 2011 - ~~8%~~ **11%**.

8 (iii) Judges holding positions specified in R.S. 11:553(1), (3) through (5),  
9 (7), and (10) through (15) whose first employment making them eligible for  
10 membership in one of the state systems occurred on or after January 1, 2011 - ~~13%~~  
11 **16%**.

12 \* \* \*

13 (c) Clerk and sergeant at arms of the House of Representatives and secretary  
14 and sergeant at arms of the Senate:

15 (i) Employees whose first employment making them eligible for membership  
16 in one of the state systems occurred on or before December 31, 2010 - ~~9.5%~~ **12.5%**.

17 (ii) Employees whose first employment making them eligible for  
18 membership in one of the state systems occurred on or after January 1, 2011 - ~~8%~~  
19 **11%**.

20 \* \* \*

21 (e) All others:

22 (i) **Members of the optional retirement plan - 7.5%.**

23 **(ii)** Employed on or before June 30, 2006 - ~~7.5%~~ **10.5%**.

24 ~~(ii)~~ **(iii)** Employed on or after July 1, 2006 - ~~8%~~ **11%**.

25 \* \* \*

26 (11) Teachers' Retirement System of Louisiana:

27 \* \* \*

28 (c) **Members who are employees of an institution of postsecondary**  
29 **education, the Board of Regents, or a postsecondary education management**

1           **board who are not members of the optional retirement plan - 11%.**

2                   (d) All others - 8%.

3                                           \*       \*       \*

4                                   **SUBPART P. LEGISLATIVE INTENT**

5           **§331. Legislative intent; certain Acts**

6                   **The Legislature of Louisiana hereby declares that the intent of the**  
7           **provisions of this Title that were enacted by the Act that originated as Senate**  
8           **Bill No. \_\_\_\_\_ of the 2012 Regular Session is to attain and maintain the actuarial**  
9           **soundness of state and statewide systems as required by the Constitution of**  
10           **Louisiana, Art. X, Section 29.**

11           Section 2. R.S. 11:62(5)(a) as amended by this Act shall not apply to an elected  
12           official during the term of office he is serving on July 1, 2012. The contribution rate for such  
13           a member shall remain what it was on July 1, 2012, for the duration of his term of office.  
14           After that term, R.S. 11:62(5)(a) as amended by this Act shall apply to a member holding  
15           that office.

16           Section 3. As soon as practicable after the effective date of this Act, the Public  
17           Retirement Systems' Actuarial Committee shall meet to adopt a revised valuation for the  
18           system prepared as provided in R.S. 11:102, applying the provisions of this Act. This  
19           valuation shall include a revised employer contribution rate for each plan within the system  
20           to be utilized in the fiscal year which begins on July 1, 2012.

21           Section 4. If a final judgment declares the provisions of this Act unconstitutional as  
22           they relate to a particular group of employees, the provisions of this Act shall remain in  
23           effect and applicable to employees unrelated to the judgment.

24           Section 5. This Act shall become effective on July 1, 2012; if vetoed by the governor  
25           and subsequently approved by the legislature, this Act shall become effective on July 1,  
26           2012, or on the day following such approval by the legislature, whichever is later.

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

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### DIGEST

Present law establishes the rates at which members of retirement systems contribute to their retirement plans. Proposed law increases the contribution rates for many members of LASERS and TRSL by 3 percentage points as follows:

#### LASERS

- (1) Rank-and-file employees first employed on or before June 30, 2006, who are not members of the optional retirement plan: 7.5% to 10.5%.
- (2) Rank-and-file employees first employed on or after July 1, 2006: 8% to 11%.
- (3) Judges first employed on or before Dec. 31, 2010: 11.5% to 14.5%.
- (4) Judges first employed on or after Jan.1, 2011: 13% to 16%.
- (5) Legislators, governor, and lieutenant governor first employed on or before Dec. 31, 2010: 11.5% to 14.5%.
- (6) Governor and lieutenant governor first employed on or after Jan. 1, 2011 (legislators are no longer eligible for membership): 8% to 11%
- (7) Certain unelected court officers first employed on or before Dec. 31, 2010: 11.5% to 14.5%
- (8) Certain unelected court officers first employed on or after Jan. 1, 2011: 8% to 11%.
- (9) Clerk of the House, secretary of the Senate, and sergeant at arms of the House and Senate first employed on or before Dec. 31, 2010: 9.5% to 12.5%.
- (10) Clerk of the House, secretary of the Senate, and sergeant at arms of the House and Senate first employed on or after Jan. 1, 2011: 8% to 11%.

Proposed law retains present law by not increasing contribution rates for the following LASERS employees: certain public safety service employees and peace officers, wildlife agents, bridge police, members of the Hazardous Duty Services Plan, and members of the optional retirement plan.

#### TRSL

- (11) TRSL members who are employees of an institution of postsecondary education, the Board of Regents, or a postsecondary education management board who are not members of the optional retirement plan from 8% to 11%.

Proposed law, with respect to both LASERS and TRSL, also provides that the proposed increases in the employee contribution rates do not apply to elected officials in office on the effective date of proposed law for the remainder of the term being served on that date. Proposed law provides that if proposed law is declared unconstitutional as it relates to a particular group of employees, the provisions of proposed law remain in effect and applicable to employees unrelated to the judgment. Proposed law requires the Public Retirement Systems' Actuarial Committee (PRSAC) to meet as soon as practicable to adopt a revised actuarial valuation for LASERS and to adopt a revised employer contribution rate

taking into account the provisions of proposed law.

Effective July 1, 2012.

(Amends R.S. 11:62(5)(a), (c), and (e) and (11)(c); adds R.S. 11:62(11)(d) and 331)