## SLS 18RS-133

## ORIGINAL

2018 Regular Session

SENATE BILL NO. 530

BY SENATOR MILKOVICH

TEACHERS RETIREMENT. Provides for reduction of investment fees and allocation of savings. (6/30/18)

1	AN ACT
2	To enact R.S. 11:858, relative to the Teachers' Retirement System of Louisiana; to provide
3	for investment expenses; to provide for payments to reduce the unfunded accrued
4	liability of the system; to provide for calculation of employer contributions; to
5	provide for an effective date; and to provide for related matters.
6	Notice of intention to introduce this Act has been published.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 11:858 is hereby enacted to read as follows:
9	§858. Reduction of investment fees; allocation of savings
10	A. Notwithstanding any other provision of law to the contrary, the board
11	of trustees shall systematically review all investment contracts and shall reduce
12	the investment fees paid by one-half. This reduction shall be made in
13	accordance with fiduciary obligations, as provided in R.S. 11:263, but in no case
14	later than June 30, 2025.
15	<b>B.</b> The savings produced by the reduction in fees from the rates existing
16	on June 30, 2018, attributable to this review shall be applied in the following
17	manner:

1	(1) One-half shall be applied to the oldest outstanding positive
2	amortization base.
3	(2) One-half shall be applied as a credit to the employers for reduction
4	of the actuarially required employer contributions, calculated pursuant to R.S.
5	<u>11:102.</u>
6	Section 2. This Act shall become effective on June 30, 2018; if vetoed by the
7	governor and subsequently approved by the legislature, this Act shall become effective on
8	June 30, 2018, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Margaret M. Corley.

SB 530 Original

DIGEST 2018 Regular Session

Milkovich

<u>Present law</u> (R.S. 11:851) vests the board of trustees of the Teachers' Retirement System of Louisiana (TRSL) with the authority to invest and reinvest the funds of the system.

<u>Proposed law</u> provides that the board of trustees shall systematically review the contracts for all investments of the system and reduce the fees paid under the contracts by one-half.

<u>Proposed law</u> provides that the reduction shall be made in accordance with the board's <u>present law</u> (R.S. 11:263) fiduciary duty.

<u>Proposed law</u> provides that any reduction shall be applied in the following manner:

- (1) One-half shall be applied to the oldest outstanding positive amortization base.
- (2) One-half shall be applied as a credit to the employer for the reduction of employer contributions, calculated according to <u>present law</u>.

Effective June 30, 2018.

(Enacts R.S. 11:858)