

RÉSUMÉ DIGEST

ACT 91 (HB 21)

2019 Regular Session

Pearson

Existing law requires state and statewide public retirement systems to utilize certain funding methods to determine their actuarially required contributions.

Prior law required that the Firefighters' Retirement System (FRS) utilize the entry age normal funding method.

New law requires FRS to utilize the frozen initial liability funding method.

Prior law provided for a 30-year amortization of the unfunded accrued liability (UAL) of FRS commencing with Fiscal Year 1989-1990, with level dollar payments annually.

New law provides that the outstanding balance of the system's UAL, except unamortized merger bases, is frozen and reamortized over 15 years with payments decreasing by 1% per year. Further provides that future gains and losses are included in the calculation of the normal cost through the frozen initial liability funding method.

Effective July 1, 2019.

(Amends R.S. 11:22(B)(4), 42(B)(3), and 103(B)(3)(e)(i); Adds R.S. 11:2252(24))