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AN ACT

To amend and reenact R.S. 11:102.2(A)(4)(c)(iv), to enact R.S. 11:102.2(A)(5), and to repeal R.S. 11:102.2(A)(4)(c)(v), (e)(ii) and (iii), (h), (i), and (j), relative to the Teachers' Retirement System of Louisiana; to provide for the calculation of employer contributions, minimum employer contribution rates, amortization of the unfunded accrued liability, and treatment of contribution variances for the Teachers' Retirement System of Louisiana; to provide for an effective date; 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. 11:102.2(A)(4)(c)(iv) is hereby amended and reenacted and R.S. 11:102.2(A)(5) is hereby enacted to read as follows:

§102.2. Amortization payment schedules; priority excess return allocations;

Teachers' Retirement System of Louisiana

A.(1) * * *

* * *

(4) For purposes of this Section, the following shall apply:

* * *

(c) "Secondary priority amount" shall mean the maximum amount of system returns in excess of the system's actuarially assumed rate of return that may be applied to the experience account amortization base, regardless of whether actual

1 returns that equal or exceed the maximum are available, and shall equal:

2 * * *

3 (iv) For the first valuation after the original amortization base is liquidated,
4 ~~the portion of the prior year's primary priority amount that was necessary to liquidate~~
5 ~~the original amortization base plus the prior year's secondary priority amount, both~~
6 ~~increased by the percentage increase in the system's actuarial value of assets for the~~
7 ~~prior year, if any **the provisions of this Paragraph shall terminate.**~~

8 * * *

9 ~~(h)(5)(a)~~ Notwithstanding ~~the provisions of Subparagraph (i) of this~~
10 ~~Paragraph~~ **any other provision of this Section**, effective for the June thirtieth
11 valuation following the fiscal year in which the system first attains a funded
12 percentage of eighty or more pursuant to R.S. 11:883.1 and for each valuation
13 thereafter, the net remaining liability of ~~the~~ **any** amortization base to which ~~the~~ **any**
14 **additional** funds are applied shall be reamortized with annual level-dollar payments
15 calculated as provided in R.S. 11:102 over the remainder of the amortization period
16 originally established for that amortization base.

17 ~~(i)(b)~~ Beginning with the 2019-2020 Fiscal Year and every fifth fiscal year
18 thereafter, the remaining liability net of all payments made since the last
19 reamortization shall be reamortized over the remainder of the amortization period
20 originally established for that amortization base with annual payments calculated as
21 provided for in this Section.

22 ~~(j)(c)~~ Except as provided in Subparagraphs ~~(h) and (i)~~ **(a) and (b)** of this
23 Paragraph and in Item (B)(3)(a)(iv) of this Section, the net remaining liability of the
24 amortization base to which the funds are applied shall not be reamortized after such
25 application.

26 * * *

27 Section 2. R.S. 11:102.2(A)(4)(c)(v), (e)(ii) and (iii), (h), (i), and (j) are hereby
28 repealed.

29 Section 3. This Act shall become effective upon signature by the governor or, if not
30 signed by the governor, upon expiration of the time for bills to become law without signature

1 by the governor, as provided in Article III, Section 18 of the Constitution of Louisiana. If
2 vetoed by the governor and subsequently approved by the legislature, this Act shall become
3 effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____