

Regular Session, 2013

HOUSE CONCURRENT RESOLUTION NO. 2

BY REPRESENTATIVE HARRISON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

**RETIREMENT/STATE SYSTEMS:** Suspends provisions of law providing for the Cash Balance Plan in certain retirement systems

1 A CONCURRENT RESOLUTION

2 To suspend until July 1, 2014, the provisions of Chapter 7 of Subtitle II of Title 11 of the  
3 Louisiana Revised Statutes of 1950, comprised of R.S. 11:1399.1 through 1399.7,  
4 providing for a Cash Balance Plan in certain state retirement systems.

5 Notice of intention to introduce this Act has been published  
6 as provided by Article X, Section 29(C) of the Constitution  
7 of Louisiana.

8 WHEREAS, Act No. 483 of the 2012 Regular Session of the Legislature provided  
9 for a Cash Balance Plan in certain state retirement systems and provides for members of  
10 certain state retirement systems to enter the Cash Balance Plan on July 1, 2013; and

11 WHEREAS, members of the state retirement systems do not participate in Social  
12 Security; and

13 WHEREAS, it is critical to determine whether the Cash Balance Plan offers a benefit  
14 to all members that is adequate to maintain the current exemption from Social Security; and

15 WHEREAS, the division of administration on behalf of the state, as the employer for  
16 state employees, is seeking a determination from the Internal Revenue Service (IRS) of the  
17 Social Security equivalency of the new Cash Balance Plan; and

18 WHEREAS, it is extremely unlikely that the IRS will provide an answer to the  
19 question of Social Security equivalency of the Cash Balance Plan prior to members entering  
20 the plan on July 1, 2013; and

1           WHEREAS, in order to avoid significant costs to the state and its employees related  
2 to Social Security contributions the question regarding the Social Security equivalency of  
3 the Cash Balance Plan must be answered prior to the time any employee enters the plan.

4           THEREFORE, BE IT RESOLVED that the Legislature of Louisiana hereby suspends  
5 the provisions of Chapter 7 of Subtitle II of Title 11 of the Louisiana Revised Statutes of  
6 1950, comprised of R.S. 11:1399.1 through 1399.7, providing for a Cash Balance Plan in  
7 certain state retirement systems.

8           BE IT FURTHER RESOLVED that this Resolution shall become effective upon  
9 adoption of this Resolution and shall remain in effect through July 1, 2014.

10          BE IT FURTHER RESOLVED that it is the intent of the legislature that any  
11 provisions contained in Act No. 483 of the 2012 Regular Session of the Legislature that are  
12 not being suspended by the provisions of this Resolution shall continue in force and effect  
13 and shall be interpreted as though they had not been amended by such Act until termination  
14 of the suspension provided for in this Resolution.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Harrison

HCR No. 2

Suspends provisions of present law providing for the Cash Balance retirement plan.

The suspension is effective until July 1, 2014.

Further provides legislative intent that any provisions contained in Act No. 483 of the 2012 R.S., which created the Cash Balance Plan, that are not being suspended by the provisions of the Resolution shall continue in force and effect and shall be interpreted as though they had not been amended by such Act until termination of the suspension provided for in the Resolution.

(Suspends R.S. 11:1399.1-1399.7)

#### Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Retirement to the original resolution.

1. Changes the date until which the Cash Balance Plan is suspended from the earlier of July 1, 2014, or 60 days after favorable rulings on the Social Security equivalency of the plan and a favorable ruling on the tax qualification of the plan to July 1, 2014.

2. Removes the requirement that the division of administration and LASERS inform each other and specified others regarding receipt of any ruling from the Internal Revenue Service on questions of Social Security equivalency and tax qualification.