SLS 14RS-283 **ORIGINAL**

Regular Session, 2014

SENATE BILL NO. 22

BY SENATOR GUILLORY

RETIREMENT SYSTEMS. Dedicates certain revenue to fund the unfunded accrued liabilities of and post-retirement benefit increases for the four state systems. (6/30/14)

AN ACT

To provide for funding of state retirement systems; to dedicate certain revenue to payment of liabilities of the systems; to specify application of the payments; 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. (A) There is hereby created in the state treasury the State Retirement Fund. Notwithstanding any other provision of law in effect on the effective date of this Act or thereafter, the treasurer shall deposit into the State Retirement Fund five percent of the amount of each tax, assessment, or fee collected under any provision of state law in Fiscal Year 2014-2015 and under any provision of state law in each fiscal year thereafter, which provision of law is related to legalization of marijuana, after first having credited such amounts to the Bond Security and Redemption Fund as required by Article VII, Section 9(B) of the Constitution of Louisiana.

(B) Monies in the State Retirement Fund shall be used solely as provided for in this Act. Such monies shall be appropriated by the legislature each fiscal year to the four state retirement systems, allocated as follows:

(1) Louisiana State Employees' Retirement System - 37.0%.

(2) Teachers' Retirement System of Louisiana - 56.7%.

(3) Louisiana School Employees' Retirement System - 4.5%.

(4) Louisiana State Police Retirement System - 1.8%.

(C) Eighty percent of the monies appropriated to each retirement system shall be applied to liquidate the unfunded accrued liabilities of the system, as follows:

(1) First, to the outstanding balance of the original amortization base, if any, without reamortization of the base, until the base is fully liquidated.

(2) Second, after the liquidation of any original amortization base, to the outstanding balance of the experience account amortization base, if any, without reamortization of the base, until the base is fully liquidated.

(3) Third, after the liquidation of any experience account amortization base, to the balance of the oldest outstanding amortization base without reamortization of such base and until all such bases are fully liquidated.

(D) Twenty percent of the monies appropriated shall be applied or credited by the retirement systems as follows:

(1) If the system has an experience account, the monies shall be credited to the system's experience account.

(2) If the system has no experience account as a result of an act of the legislature, the monies shall be applied to the outstanding balance of the amortization base created as a result of that act, without reamortization of the base and until the base is fully liquidated.

(3) If the system has no experience account and no amortization base created by an act of the legislature, all monies shall be applied as provided in Subsection C of this Section.

Section 2. This Act shall become effective on June 30, 2014; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on June 30, 2014, 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.

DIGEST

Guillory (SB 22)

Proposed law dedicates 5% of revenue generated by taxes, fees, and assessments related to the legalization of marijuana to the four state retirement systems. Provides for allocation of this revenue among the systems. Provides for 80% of each system's allocation to be applied to reduce system debt (unfunded accrued liability or UAL) and 20% to be applied to funding for post-retirement benefit increases (PBIs), commonly referred to as cost-of-living adjustments or COLAs.

Effective June 30, 2014.