

Regular Session, 2014

HOUSE BILL NO. 24

BY REPRESENTATIVE PEARSON

RETIREMENT/MUNICIPAL POL: Provides relative to amortization schedules for credits and liabilities of the Municipal Police Employees' Retirement System

1 AN ACT

2 To amend and reenact R.S. 11:103(B)(3)(e)(ii)(aa) and (iv)(aa) and (E) and to repeal R.S.
3 11:103(B)(3)(e)(i)(bb), (ii)(bb), and (iv)(bb), relative to amortization schedules of
4 the Municipal Police Employees' Retirement System; to provide relative to the
5 duration of such schedules; to provide for the combination and reamortization of
6 existing schedules as of a certain date; to provide relative to the calculation of
7 employer contribution rates for the system; to repeal outdated provisions; and to
8 provide for related matters.

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

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 11:103(B)(3)(e)(ii)(aa) and (iv)(aa) and (E) are hereby amended and
14 reenacted to read as follows:

15 §103. Employer contributions; determination; statewide systems

16 * * *

17 B.

18 * * *

19 (3) The actuarially required employer contribution for each fiscal year shall
20 be that dollar amount equal to the sum of:

21 * * *

1 (e) That fiscal year's payment, calculated as of the first of that fiscal year and
2 projected to the middle of that fiscal year at the actuarially assumed interest rate,
3 necessary to amortize changes in actuarial liability due to:

4 * * *

5 (ii)(aa) ~~Except as provided in Subitem (bb), changes~~ Changes in actuarial
6 assumptions or the method of valuing of assets, such payments to be computed as
7 level dollar amounts over a period of fifteen years from the year of occurrence of the
8 change.

9 * * *

10 (iv)(aa) ~~Except as provided in Subitem (bb), changes~~ Changes in actuarial
11 accrued liability, computed using the actuarial funding method as specified in R.S.
12 11:22, due to legislation changing plan provisions, such payments to be computed
13 in the manner and over the time period specified in the legislation creating the
14 change or, if not specified in such legislation, as level dollar amounts over a period
15 of fifteen years from the year of occurrence of the change.

16 * * *

17 ~~E.(1) The boards of trustees of the Municipal Police Employees' Retirement~~
18 ~~System and the Firefighters' Retirement System shall consider increasing the~~
19 ~~actuarially assumed rates of return for their respective systems. Each board shall~~
20 ~~meet on or before July 31, 2005, to consider this issue. Each board shall report in~~
21 ~~writing to the House and Senate Committees on Retirement and to the Public~~
22 ~~Retirement Systems' Actuarial Committee the results of its consideration and the~~
23 ~~recommendations of the board, if any.~~

24 (2) ~~If either or both boards make recommendations, the Public Retirement~~
25 ~~Systems' Actuarial Committee shall meet on or before August 31, 2005, to discuss~~
26 ~~and take action on such recommendations. For the Municipal Police Employees'~~
27 ~~Retirement System, for the fiscal year commencing July 1, 2014, all amortization~~
28 ~~credit and charge bases existing as of June 30, 2014, shall be combined, offset, and~~

1 reamortized over a twenty-year period with level payments commencing July 1,
 2 2014.

3 Section 2. R.S. 11:103(B)(3)(e)(i)(bb), (ii)(bb), and (iv)(bb) are hereby repealed in
 4 their entirety.

5 Section 3. This Act shall become effective upon signature by the governor or, if not
 6 signed by the governor, upon expiration of the time for bills to become law without signature
 7 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 8 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 9 effective on the day following such approval.

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)]

Pearson

HB No. 24

Abstract: Shortens the amortization schedules for the Municipal Police Employees' Retirement System (MPERS) and combines existing system schedules and reamortizes them over a 20-year period.

Present law provides for the creation of amortization schedules for actuarial gains and losses of statewide retirement systems.

Present law provides that most statewide systems use 15-year amortization schedules for actuarial gains and losses. Provides that MPERS uses 30-year amortization schedules for such gains and losses.

Proposed law removes present law exceptions for MPERS, so that the system will now use 15-year amortization schedules for future gains and losses.

Proposed law further provides that all existing MPERS amortization schedules as of June 30, 2014, shall be combined, offset, and reamortized over a 20-year period with level dollar payments.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 11:103(B)(3)(e)(ii)(aa) and (iv)(aa) and (E); Repeals R.S. 11:103(B)(3)(e)(i)(bb), (ii)(bb), and (iv)(bb))