HLS 14RS-438 ENGROSSED

Regular Session, 2014

HOUSE BILL NO. 65

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BY REPRESENTATIVE MONTOUCET

RETIREMENT/FIREFIGHTERS: Authorizes the board of trustees of the Firefighters' Retirement System to adopt group trust provisions pursuant to Internal Revenue Service rulings

AN ACT

2 To amend and reenact R.S. 11:2261(A), relative to the Firefighters' Retirement System; to 3 provide relative to the management and investment of system funds; to require 4 conformity with applicable federal rules and regulations; to provide an effective date; 5 and to provide for related matters. 6 Notice of intention to introduce this Act has been published 7 as provided by Article X, Section 29(C) of the Constitution 8 of Louisiana. 9 Be it enacted by the Legislature of Louisiana: 10 Section 1. R.S. 11:2261(A) is hereby amended and reenacted to read as follows: 11 §2261. Management of funds 12 A.(1) The board of trustees shall be the trustees of the several funds created 13 by this Chapter as provided in R.S. 11:2262 and shall have full power to invest and 14 reinvest such funds in accordance with the provisions of R.S. 11:261 et seq. The 15 trustees shall have full power to hold, purchase, sell, assign, transfer, and dispose of 16 any of the securities and investments in which any of the funds created herein have 17 been invested as well as the proceeds of the investments and monies belonging to the 18 funds.

1 (2) The trustees may adopt the terms of a group trust in compliance with all 2 applicable United States Internal Revenue Service Revenue Rulings, to be treated as 3 part of this Chapter. 4 (3) The expenses associated with the investment and administration of fund 5 assets shall be charged against investment income and shall not be charged to the 6 expense account. 7 8 Section 2. This Act shall become effective upon signature by the governor or, if not 9 signed by the governor, upon expiration of the time for bills to become law without signature 10 by the governor, as provided in Article III, Section 18 of the Constitution of Louisiana. If 11 vetoed by the governor and subsequently approved by the legislature, this Act shall become 12 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)]

Montoucet HB No. 65

Abstract: Authorizes the Firefighters' Retirement System (FRS) board of trustees to invest system assets in a group trust, in conformity with applicable Internal Revenue Service (IRS) regulations.

<u>Present law</u> provides that the FRS board of trustees functions as the trustees of the several funds of the system and authorizes the board to invest and reinvest such funds in accordance with <u>present law</u> requirements regarding fiduciary duty and prudence. Further provides that the board is authorized to hold, purchase, sell, assign, transfer, and dispose of any of the securities and investments in which any of the funds have been invested.

Proposed law retains present law.

<u>Proposed law</u> authorizes the board of trustees to invest system assets in a group trust. Generally, a group trust is a trust set up to hold the assets of a number of separate retirement plan trusts. <u>Proposed law</u> requires any adoption by the board of group trust provisions to conform with applicable IRS regulations. Further provides that any group trust invested in by the board pursuant to <u>proposed law</u> is to be treated as part of the system.

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

(Amends R.S. 11:2261(A))