

2015 Regular Session

HOUSE BILL NO. 56

BY REPRESENTATIVE HOFFMANN

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

RETIREMENT/DISTRICT ATTY: Provides relative to modification of employer contribution rates by the board of trustees of the District Attorneys' Retirement System

1 AN ACT

2 To enact R.S. 11:105(A)(7) and (E), 106(A)(5) and (D), 107(A)(6) and (C), and 107.1(A)(6)
3 and (I), relative to the District Attorneys' Retirement System; to authorize the board
4 of trustees of the system to modify employer contribution rates in certain
5 circumstances; to require promulgation of rules for such modification; to establish
6 a funding deposit account within the system; and to provide for related matters.

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

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 11:105(A)(7) and (E), 106(A)(5) and (D), 107(A)(6) and (C), and
12 107.1(A)(6) and (I) are hereby enacted to read as follows:

13 §105. Employer contributions; maintaining rates

14 A. The provisions of this Section shall apply to the following statewide
15 public retirement systems or funds, hereinafter referred to in this Section as
16 "systems":

17 * * *

18 (7) The District Attorneys' Retirement System.

19 * * *

1 E. Any contribution rate adjustment made pursuant to the provisions of this
2 Section by the board of trustees of the District Attorney's Retirement System shall
3 be set by rule adopted in accordance with the provisions of the Administrative
4 Procedure Act.

5 §106. Additional employer contributions; increasing rates

6 A. The provisions of this Section shall apply to the following statewide
7 public retirement systems or funds:

8 * * *

9 (5) The District Attorneys' Retirement System.

10 * * *

11 D. Any contribution rate adjustment made pursuant to the provisions of this
12 Section by the board of trustees of the District Attorney's Retirement System shall
13 be set by rule adopted in accordance with the provisions of the Administrative
14 Procedure Act.

15 §107. Additional employer contributions; reducing rate decreases

16 A. The provisions of this Section shall apply to the following statewide
17 public retirement systems or funds:

18 * * *

19 (6) The District Attorneys' Retirement System.

20 * * *

21 C. Any contribution rate adjustment made pursuant to the provisions of this
22 Section by the board of trustees of the District Attorney's Retirement System shall
23 be set by rule adopted in accordance with the provisions of the Administrative
24 Procedure Act.

25 §107.1. Funding deposit account

26 A. The provisions of this Section shall apply to the following statewide
27 public retirement systems or funds, hereinafter referred to in this Section as
28 "systems":

29 * * *

1 (6) The District Attorneys' Retirement System.

2 * * *

3 I. Any exercise of authority pursuant to Subsection D of this Section by the
4 District Attorney's Retirement System shall be done by rule adopted in accordance
5 with the provisions of the Administrative Procedure Act.

6 Section 2. This Act shall become effective on June 30, 2015; if vetoed by the
7 governor and subsequently approved by the legislature, this Act shall become effective on
8 June 30, 2015, or on the day following such approval by the legislature, whichever is later.

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)]

HB 56 Original 2015 Regular Session Hoffmann

Abstract: Authorizes the District Attorneys' Retirement System (DARS) to increase required employer contribution rates in certain circumstances and establishes a Funding Deposit Account within the system for collection of contribution remittances above the actuarially required amount.

Present law (R.S. 11:105 through 107) grants certain statewide retirement systems the authority to increase required employer contribution rates in certain circumstances. Generally, in a year in which the required contribution rate would otherwise decrease, the systems are authorized to (a) hold the rate at the previous year's level; (b) add up to 3% to the required rate; or (c) set the contribution rate anywhere between the new lower rate and the previous year's higher rate.

Proposed law retains present law.

Pursuant to present law, amounts collected by systems exercising present law authority are used for the following purposes and in the following order:

- (1) Applied to frozen unfunded accrued liability (UAL), if any, without reamortization of such debt.
- (2) To reduce the outstanding amortization charge base with the greatest number of outstanding payments, without reamortization of such base.
- (3) To decrease the employer contribution rate.

Proposed law retains present law.

Systems with authority to modify employer contribution rates under present law include the Assessors' Retirement Fund, Clerks' of Court Retirement and Relief Fund, Municipal Employees' Retirement System, and the Registrars of Voters Employees' Retirement System. Proposed law would grant DARS the same authority. Further requires any contribution rate change made by DARS to be set by rule adopted in accordance with the Administrative Procedures Act.

Present law (R.S. 11:107.1) establishes a "Funding Deposit Account" in certain statewide systems, such as Assessors', Clerks of Court, Municipal Employees', and Registrars of Voters. Funds collected pursuant to present law in excess of minimum required employer contribution rates are collected in this account and may be used by the board of trustees of the system for the following purposes:

- (1) To reduce system UAL.
- (2) To reduce employer contribution rates.

Proposed law establishes a Funding Deposit Account within DARS and requires any use of such account funds pursuant to proposed law to be done by rule adopted in accordance with the Administrative Procedures Act. Otherwise retains present law.

(Adds R.S. 11:105(A)(7) and (E), 106(A)(5) and (D), 107(A)(6) and (C), and 107.1(A)(6) and (I))