
SENATE COMMITTEE AMENDMENTS

2015 Regular Session

Amendments proposed by Senate Committee on Retirement to Engrossed House Bill No. 56 by Representative Hoffmann

1 AMENDMENT NO. 1

2 On page 1, line 1, after "To enact" delete the remainder of the line and on line 2, delete "and
3 (I)" and insert "R.S. 11:1658 and 1659"

4 AMENDMENT NO. 2

5 On page 1, line 11, after "Section 1." delete the remainder of the line and delete lines 12
6 through 19, delete page 2, and on page 3 delete lines 1 through 5 and insert the following:

7 "R.S. 11:1658 and 1659 are hereby enacted to read as follows:

8 §1658. Employer contributions; maintaining rates; increasing rates; reducing rate
9 decreases

10 A. Notwithstanding the provisions of R.S. 11:103 and 104, in any fiscal year
11 the board of trustees is authorized to take any of the following actions:

12 (1) Maintain the net direct employer contribution rate in effect at the time that
13 a decrease would otherwise occur pursuant to R.S. 11:103.

14 (2) Require a net direct contribution rate of up to three percentage points
15 more than the rate determined under R.S. 11:103.

16 (3) Set the employer contribution rate at any point between the previous
17 year's employer contribution rate and a decreased rate that would otherwise occur
18 pursuant to R.S. 11:103.

19 B. Any excess funds resulting from application of Subsection A of this
20 Section shall be combined with any contribution surplus or offset by any contribution
21 shortfall, and the resulting balance, if greater than zero, shall be accumulated in the
22 funding deposit account pursuant to R.S. 11:1659.

23 C. Any contribution rate adjustment pursuant to the provisions of this Section
24 shall be made by promulgation of rules adopted in accordance with the provisions
25 of the Administrative Procedure Act.

26 §1659. Funding deposit account

27 A.(1) There shall be established a funding deposit account for the system.
28 The account shall be credited and charged as provided in this Section.

29 (2) Notwithstanding any provision of law to the contrary, for any fiscal year
30 in which the board of trustees exercises the authority granted in R.S. 11:1658 to set
31 the net direct employer contribution rate higher than the minimum recommended rate
32 pursuant to R.S. 11:103, all surplus funds collected by the system shall be credited
33 to the system's funding deposit account.

34 B. The funds in the account shall earn interest annually at the board-approved
35 actuarial valuation interest rate, and the interest shall be credited to the account at
36 least once a year.

37 C. The board of trustees may in any fiscal year direct that funds from the
38 account be charged for the following purposes:

39 (1) To reduce the present value of future normal costs.

40 (2) To pay all or a portion of any future net direct employer contributions.

41 (3) To provide for a cost-of-living adjustment, pursuant to R.S. 11:1638.

42 D. In no event shall the funds charged from the account exceed the
43 outstanding account balance.

44 E. If the board of trustees elects to charge funds from the funding deposit
45 account pursuant to Paragraph (C)(2) of this Section, the percent reduction in the
46 minimum recommended employer contribution rate otherwise applicable shall be
47 determined by dividing the interest-adjusted value of the charges from the funding
48 deposit account by the projected payroll for the fiscal year for which the contribution
49 rate is to be reduced.

1 F. For funding purposes, any asset value utilized in the calculation of the
2 actuarial value of assets of a system shall exclude the funding deposit account
3 balance as of the asset determination date for the calculation.

4 G. For all purposes other than funding, the funds in the account shall be
5 considered assets of the system.

6 H. The authority granted to the board of trustees pursuant to Subsection C of
7 this Section shall be exercised by promulgation of rules in accordance with the
8 provisions of the Administrative Procedure Act."