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## DIGEST

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HB 16 Original

2016 Regular Session

Pearson

**Abstract:** Requires the La. School Employees' Retirement System (LSERS) to fund noninvestment-related administrative expenses by including them in the calculation of the system's employer contribution rate.

Present law provides for the annual calculation of required employer contributions for each state retirement system. This calculation generally contains two main components:

- (1) The cost of the benefits being accrued (also known as the normal cost).
- (2) The cost of debt service on system liabilities.

Proposed law retains present law.

Present law does not provide for how noninvestment-related administrative expenses for state retirement systems are funded. Proposed law requires LSERS to fund its noninvestment-related administrative expenses for a fiscal year by including them in the normal cost calculation of the system's employer contribution rate.

Effective June 30, 2016.

(Amends R.S. 11:102(B)(3)(a))