



1           (H)(1) For members of a retirement system whose benefits are guaranteed  
2           pursuant to Paragraph (A) or (B) of this Section, the following costs shall be shared  
3           equally between the employer and such members:

4           (a) The normal cost of the member's benefit.

5           (b) That portion of any unfunded accrued liability associated with an  
6           augmentation of the member's benefit which occurs during the member's period of  
7           active service.

8           (2) The provisions of Subparagraph (1) of this Paragraph do not apply to:

9           (a) Any employee whose first employment making him eligible for  
10           membership in a state system occurred on or before June 30, 2017.

11           (b) Permanent benefit increases granted to retirees or their beneficiaries  
12           regardless of the date the date the member or retiree was hired.

13           Section 2. Be it further resolved that this proposed amendment shall be submitted  
14 to the electors of the state of Louisiana at the statewide election to be held on November 8,  
15 2016.

16           Section 3. Be it further resolved that on the official ballot to be used at the election,  
17 there shall be printed a proposition, upon which the electors of the state shall be permitted  
18 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as  
19 follows:

20           Do you support an amendment to require new members of state retirement  
21 systems, those hired on or after July 1, 2017, to share equally with their  
22 employer the normal cost of their retirement benefit and the cost of any debt  
23 attributable to certain expansions of their retirement benefit? (Adds Article  
24 X, Section 29(H))

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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)]

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HB 46 Original

2016 Regular Session

Ivey

**Abstract:** Requires members of state retirement systems whose first date of employment making them eligible for membership in a state retirement system occurred on or after July 1, 2017, to equally share the cost of certain elements of their retirement benefit with their employer.

Present constitution (Art. X, Sec. 29(A) and (B)) authorizes the legislature to establish retirement systems for state employees and employees of political subdivisions. Further provides that membership in such a system is a contractual relationship between the employee and the employer. Proposed constitutional amendment retains present constitution.

Present constitution (Art. X, Sec. 29(E)(2)(a)) requires that after the Unfunded Accrued Liability of the retirement systems that existed as of June 30, 1988, is paid off, members of state retirement systems shall not be required to pay more to the retirement system than the employer is paying on their behalf. Proposed constitutional amendment retains present constitution.

Proposed constitutional amendment requires that for any state system member whose first employment making him eligible for membership in a state retirement system occurred on or after July 1, 2017, the normal cost of the member's benefit and any unfunded accrued liability associated with a benefit expansion during the member's period of active service shall be shared equally between the employer and the new member.

Proposed constitutional amendment further provides that the provisions of proposed constitutional amendment shall not apply to permanent benefit increases (COLAs).

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 8, 2016.

(Adds Art. X, §29(H))