

SENATE BILL NO. 18

BY SENATORS PEACOCK, BOUDREAUX, CORTEZ, LONG, MILKOVICH AND
MIZELL

1 AN ACT

2 To amend and reenact R.S. 11:102(B)(1), (2), (3)(a), (b), (c), and (d), (i), (ii), (iii), and (iv),
3 (4), and (5)(a) and (b), (C), and (D), 102.1(B)(2)(b), (3)(a)(i), (4), (5), and (6) and
4 (C)(2), (3)(a) and (c), (4), (5), and (6), 102.2(B)(2)(a), (3)(a)(i), (4), and (5) and
5 (C)(2), (3)(a) and (c), (4), (5), and (6), 102.3, 542(A), (B), (C), (E), and (F),
6 883.1(A), (B), (C), (E), and (F), 927(B)(2)(a)(introductory paragraph) and (i) and
7 (b)(i) and (3)(a), 1145.1(A), (B), (C), (D), and (E), and 1332(A), (B), (C), (D), (E),
8 and (F), to enact R.S. 11:23, 102(E) and (F), 102.1(A)(4), (B)(3)(a)(iv), and (D),
9 102.2(A)(4), (B)(3)(a)(iv), and (D), 102.4, 102.5, 102.6, 542(D) and 883.1(D), and
10 to repeal R.S. 11:102(B)(3)(d)(v), (vi), (vii), and (viii), 542(G), 883.1(G) and (H),
11 1145.1(F), and 1332(G), to provide for actuarial determinations and application of
12 retirement system funds without allowing, authorizing, or granting benefit
13 improvements; to provide for the determination of required employer contributions
14 and application of investment earnings to certain debts and accounts; to prioritize
15 excess return allocations; to provide for an effective date; and to provide for related
16 matters.

17 Notice of intention to introduce this Act has been published.

18 Be it enacted by the Legislature of Louisiana:

19 Section 1. R.S. 11:102(B)(1), (2), (3)(a), (b), (c), and (d), (i), (ii), (iii), and (iv), (4),
20 and (5)(a) and (b), (C), and (D), 102.1(B)(2)(b), (3)(a)(i), (4), (5), and (6) and (C)(2), (3)(a)
21 and (c), (4), (5), and (6), 102.2(B)(2)(a), (3)(a)(i), (4), and (5) and (C)(2), (3)(a) and (c), (4),
22 (5), and (6), 102.3, 542(A), (B), (C), (E), and (F), 883.1(A), (B), (C), (E), and (F),
23 927(B)(2)(a)(introductory paragraph) and (i) and (b)(i) and (3)(a), 1145.1(A), (B), (C), (D),
24 and (E), and 1332(A), (B), (C), (D), (E), and (F) are hereby amended and reenacted and R.S.

1 11:23, 102(E) and (F), 102.1(A)(4), (B)(3)(a)(iv), and (D), 102.2(A)(4), (B)(3)(a)(iv), and
2 (D), 102.4, 102.5, 102.6, and 542(D), 883.1(D) are hereby enacted to read as follows:

3 **§23. Funded percentage; state systems**

4 **Except as otherwise provided in this Title, "funded percentage" for each**
5 **state public retirement system shall mean the valuation assets used to determine**
6 **the actuarially required contributions pursuant to R.S. 11:102 divided by the**
7 **accrued liability of the system determined by utilizing the funding method**
8 **established in R.S. 11:22.**

9 * * *

10 §102. Employer contributions; determination; state systems

11 * * *

12 B.(1) Except as provided in ~~Subsection C of this Section for the Louisiana~~
13 ~~State Employees' Retirement System and Subsection D of this Section for the~~
14 ~~Teachers' Retirement System of Louisiana and except as provided in R.S. 11:102.1,~~
15 102.2, **102.3, 102.4, and 102.5** and in Paragraph (5) of this Subsection, for each
16 fiscal year, commencing with Fiscal Year 1989-1990, for each of the public
17 retirement systems referenced in Subsection A of this Section, the legislature shall
18 set the required employer contribution rate **for each system or plan** equal to the
19 actuarially required employer contribution, as determined ~~under Paragraph (3) of this~~
20 ~~Subsection~~ **pursuant to the provisions of this Section**, divided by the total
21 projected payroll of all active members of each particular system **or plan** for the
22 fiscal year. Each entity funding a portion of a member's salary shall also fund the
23 employer's contribution on that portion of the member's salary at the employer
24 contribution rate specified in this ~~Subsection~~ **Section**.

25 (2)(a) At the end of each fiscal year, the difference between the actuarially
26 required employer contribution for the fiscal year, as determined ~~under Paragraph~~
27 ~~(3) of this Subsection or pursuant to Subsection C of this Section for the Louisiana~~
28 ~~State Employees' Retirement System or Subsection D~~ **pursuant to the provisions**
29 ~~of this Section for the Teachers' Retirement System of Louisiana,~~ and the amount of
30 employer contributions actually received for the fiscal year, excluding any amounts

1 received for the extraordinary purchase of additional benefits or service, shall be
2 determined.

3 (b) If the amount of employer contributions received for the fiscal year is less
4 than the actuarially required employer contribution for the fiscal year; due to the
5 failure of the legislature to appropriate funds at the required employer contribution
6 rate, the difference shall be paid by the state treasurer from the state general fund
7 upon warrant from the governing authority of the retirement system.

8 (c) At the end of each fiscal year, the difference between the minimum
9 employer contribution, as required by the Constitution of Louisiana, and the
10 actuarially required employer contribution for the fiscal year, as determined ~~under~~
11 ~~Paragraph (3) of this Subsection or pursuant to Subsection C of this Section for the~~
12 ~~Louisiana State Employees' Retirement System or Subsection D~~ **pursuant to the**
13 **provisions** of this Section ~~for the Teachers' Retirement System of Louisiana~~, shall
14 be determined and applied in accordance with the following provisions:

15 (i) The amount, if any, by which the actuarially required contribution for a
16 system exceeds the constitutionally required minimum contribution for that system
17 shall be accumulated in an employer credit account which shall be adjusted annually
18 to reflect any gain or loss attributable to the balance in the account at the actuarial
19 rate of return earned by the system.

20 (ii) Except as provided in Paragraph (5) of this Subsection, annual
21 contributions required in accordance with this ~~Subsection~~ **Section**, or the
22 constitutional minimum if greater, may be funded in whole or in part from the
23 employer credit account, provided the employee contribution rate or rates for the
24 system as set forth in R.S. 11:62 has or have been reduced to an amount equal to or
25 less than fifty percent of the annual normal cost for the system or the plan ~~as~~
26 ~~provided in Subsection C or D of this Section~~, rounded to the nearest one-quarter
27 percent.

28 (iii) ~~For purposes of implementing Act No. 1331 of the 1999 Regular Session~~
29 ~~of the Legislature, the balance of the Employer Credit Account applicable to the~~
30 ~~Louisiana School Employees' Retirement System as of June 30, 1999, shall be fifty-~~

1 ~~six million seven hundred fifty-four thousand four hundred five dollars.~~

2 (d) Except as provided in R.S. 11:102.1 and 102.2, differences occurring for
3 any other reason shall be added to or subtracted from the following fiscal year's
4 actuarially required employer contribution in accordance with ~~Subparagraph (3)(c)~~
5 ~~of this Subsection or with Subsection C of this Section for the Louisiana State~~
6 ~~Employees' Retirement System or Subsection D~~ **the provisions** of this Section for
7 ~~the Teachers' Retirement System of Louisiana.~~

8 (3) With respect to each state public retirement system, the actuarially
9 required employer contribution for each fiscal year, commencing with Fiscal Year
10 1989-1990, shall be that dollar amount equal to the sum of:

11 (a) The employer's normal cost for that fiscal year, computed as of the first
12 of the fiscal year using the system's actuarial funding method as specified in
13 R.S. 11:22 and taking into account the value of future accumulated employee
14 contributions and interest thereon, such employer's normal cost rate multiplied by the
15 total projected payroll for all active members to the middle of that fiscal year. For
16 the Louisiana State Employees' Retirement System, effective for the June 30, ~~2010~~;
17 **2010** system valuation and beginning with Fiscal Year 2011-2012, the normal cost
18 shall be determined in accordance with Subsection C of this Section. For the
19 Teachers' Retirement System of Louisiana, effective for the June 30, ~~2011~~, **2011**
20 system valuation and beginning with Fiscal Year 2012-2013, the normal cost shall
21 be determined in accordance with Subsection D of this Section.

22 (b) That fiscal year's payment, computed as of the first of that fiscal year and
23 projected to the middle of that fiscal year at the ~~actuarially-assumed~~ **actuarially**
24 **assumed** interest rate, taking into account consolidation with other amortization
25 bases, if any, as provided in R.S. 11:42, 102.1, and 102.2, and using the system's
26 amortization method specified in R.S. 11:42, necessary to amortize the unfunded
27 accrued liability as of June 30, 1988, such unfunded accrued liability computed using
28 the system's actuarial funding method as specified in R.S. 11:22.

29 (c) Except as provided in R.S. 11:102.1 and 102.2, that fiscal year's payment,
30 computed as of the first of that fiscal year and projected to the middle of that fiscal

1 year at the ~~actuarially-assumed~~ **actuarially assumed** interest rate, necessary to
 2 amortize the prior year's over or underpayment as a level dollar amount over a period
 3 of five years.

4 (d) That fiscal year's payment, computed as of the first of that fiscal year and
 5 projected to the middle of that fiscal year at the actuarially assumed interest rate,
 6 necessary to amortize changes in actuarial liability due to:

7 (i) ~~Except as provided in Items (v), (vi), (vii), and (viii) of this Subparagraph,~~
 8 actuarial **Actuarial** gains and losses, if appropriate for the funding method used by
 9 the system as specified in R.S. 11:22, for each fiscal year beginning after June 30,
 10 1988, such payments to be computed as ~~an amount forming an annuity increasing at~~
 11 ~~four and one-half percent annually over the later of a period of fifteen years from the~~
 12 ~~year of occurrence or by the year 2029, such gains and losses to include any~~
 13 ~~increases in actuarial liability due to governing authority granted cost-of-living~~
 14 ~~increases~~ **provided in Subsection C, D, E, or F of this Section.**

15 (ii) ~~Except as provided in Items (v), (vi), (vii), and (viii) of this~~
 16 ~~Subparagraph, changes~~ **Changes** in the method of valuing of assets, such payments
 17 to be computed as ~~an amount forming an annuity increasing at four and one-half~~
 18 ~~percent annually over the later of a period of fifteen years from the year of~~
 19 ~~occurrence of the change or by the year 2029~~ **provided in Subsection C, D, E, or**
 20 **F of this Section.**

21 (iii) ~~Except as provided in Items (v), (vi), (vii), and (viii) of this~~
 22 ~~Subparagraph, changes~~ **Changes** in actuarial assumptions or actuarial funding
 23 methods, excluding changes in methods of valuing of assets, such payments to be
 24 computed as ~~an amount forming an annuity increasing at four and one-half percent~~
 25 ~~annually over the later of a period of thirty years from the year of occurrence of the~~
 26 ~~change or by the year 2029~~ **provided in Subsection C, D, E, or F of this Section.**

27 (iv) ~~Except as provided in Items (v), (vi), (vii), and (viii) of this~~
 28 ~~Subparagraph, changes~~ **Changes** in actuarial accrued liability, computed using the
 29 actuarial funding method as specified in R.S. 11:22, due to legislation changing plan
 30 provisions, such payments to be computed in the manner and over the time period

1 specified in the legislation creating the change or, if not specified in such legislation,
 2 as ~~an amount forming an annuity increasing at four and one-half percent annually~~
 3 ~~over the later of a period of fifteen years from the year of occurrence of the change~~
 4 ~~or by the year 2029~~ **provided in Subsection C, D, E, or F of this Section.**

5 (4) At the end of the fiscal year during which the assets of a system,
 6 excluding the outstanding balance due to Subparagraph (B)(3)(c) of this Section,
 7 exceed the actuarial accrued liability of that system, the amortization schedules
 8 ~~contained in~~ **calculated pursuant to** Subparagraphs (B)(3)(b) and (d) ~~or in and~~
 9 Subsection **C, D, E, or F** of this Section ~~for the Louisiana State Employees'~~
 10 ~~Retirement System or Subsection D of this Section for the Teachers' Retirement~~
 11 ~~System of Louisiana~~ shall be fully liquidated and assets in excess of the actuarial
 12 accrued liability shall be amortized as a credit in accordance with the provisions of
 13 Subparagraph (B)(3)(d) **and Subsection C, D, E, or F** of this Section.

14 (5)(a) Notwithstanding ~~the provisions~~ **any other provision** of this Section ~~to~~
 15 **the contrary**, the gross employer contribution rate for the Louisiana State
 16 Employees' Retirement System and the Teachers' Retirement System of Louisiana
 17 shall not be less than fifteen and one-half percent per year until such time as the
 18 unfunded accrued liability that existed on June 30, 2004, is fully funded.

19 (b) At the end of each fiscal year, the difference, if any, by which the amount
 20 of contributions received from payment of all employer contributions at the fixed
 21 minimum employer contribution rate established pursuant to this Paragraph exceeds
 22 the greater of the minimum employer contribution required by Article X, Section 29
 23 of the Constitution of Louisiana or the statutory minimum employer contribution
 24 calculated according to the methodology provided for in ~~Items (3)(d)(i) through (iv)~~
 25 **Subparagraph (3)(d)** of this Subsection or in ~~Paragraph (C)(4)~~ **Subsection C or D**
 26 of this Section ~~for the Louisiana State Employees' Retirement System or Paragraph~~
 27 ~~(D)(4) of this Section for the Teachers' Retirement System of Louisiana~~ shall be
 28 accumulated in an employer credit account for the respective system.

29 * * *

30 C.(1) ~~This~~ **The provisions of this Subsection shall apply to the Louisiana**

1 **State Employees' Retirement System.**

2 **(2)(a) Except as provided in Subparagraph (b) of this Paragraph and in**
3 **R.S. 11:102.5, effective July 1, 2004, and beginning with Fiscal Year 1998-1999,**
4 **the amortization period for the changes, gains, or losses of the system provided**
5 **in Items (B)(3)(d)(i) through (iv) of this Section shall be thirty years from the**
6 **year in which the change, gain, or loss occurred. The outstanding balances of**
7 **amortization bases established pursuant to Items (B)(3)(d)(i) through (iv) of this**
8 **Section before Fiscal Year 1998-1999, shall be amortized as a level-dollar**
9 **amount from July 1, 2004, through June 30, 2029. Beginning with Fiscal Year**
10 **2003-2004, and for each fiscal year thereafter, the outstanding balances of**
11 **amortization bases established pursuant to Items (B)(3)(d)(i) through (iv) of this**
12 **Section shall be amortized as a level-dollar amount. Effective for the June 30,**
13 **2010 system valuation and beginning with Fiscal Year 2011-2012, amortization**
14 **payments for changes in actuarial liability shall be determined in accordance**
15 **with this Subsection.**

16 **(b) Notwithstanding the provisions of Subparagraph (a) of this**
17 **Paragraph, effective for the June thirtieth valuation following the fiscal year in**
18 **which the system first attains a funded percentage of seventy or more pursuant**
19 **to R.S. 11:542 and for every year thereafter, the amortization period for the**
20 **changes, gains, or losses of the system provided in Items (B)(3)(d)(i) through (iv)**
21 **of this Section occurring in that year or thereafter shall be twenty years from**
22 **the year in which the change, gain, or loss occurred.**

23 **(c) Effective for the first system valuation following June 30, 2015, in**
24 **which an allocation is made to the system's experience account and for each**
25 **valuation thereafter, actuarial gains allocated to the experience account shall**
26 **be amortized as a loss with level payments over a ten-year period.**

27 **(3) The provisions of this Paragraph and Paragraphs (4) through (9) of**
28 **this** Subsection shall be applicable to the Louisiana State Employees' Retirement
29 System effective for the June 30, ~~2010~~, **2010** system valuation and beginning Fiscal
30 Year 2011-2012. For purposes of this Subsection, "plan" or "plans" shall mean a

1 subgroup within the system characterized by the following employee classifications:

2 (a) Rank-and-file members of the system.

3 (b) Full-time law enforcement personnel, supervisors, or administrators who
4 are employed with the Department of Revenue or office of alcohol and tobacco
5 control and who are P.O.S.T. certified, have the power to arrest, and hold a
6 commission from such office.

7 (c) Peace officers, as defined by R.S. 40:2402(3)(a), employed by the
8 Department of Public Safety and Corrections, office of state police, other than state
9 troopers.

10 (d) Judges and court officers to whom Subpart A of Part VII of Chapter 1 of
11 Subtitle II of this Title is applicable.

12 (e) Wildlife agents to whom Subpart B of Part VII of Chapter 1 of Subtitle
13 II of this Title is applicable.

14 (f) Wardens, correctional officers, probation and parole officers, and security
15 personnel employed by the Department of Public Safety and Corrections who are
16 members of the secondary component pursuant to Subpart C of Part VII of Chapter
17 1 of Subtitle II of this Title.

18 (g) Correctional officers, probation and parole officers, and security
19 personnel employed by the Department of Public Safety and Corrections who are
20 members of the primary component.

21 (h) Legislators, the governor, and the lieutenant governor.

22 (i) Employees of the bridge police section of the Crescent City Connection
23 Division of the Department of Transportation and Development.

24 (j) Hazardous duty plan members as provided pursuant to R.S. 11:611 et seq.

25 (k) Judges as provided pursuant to R.S. 11:62(5)(a)(iii) and 444(A)(1)(a)(ii).

26 (l) Harbor Police Retirement Plan members as provided pursuant to R.S.
27 11:631.

28 (m) Any other specialty retirement plan provided for a subgroup of system
29 members. If the legislation enacting such a plan is silent as to the application of this
30 Subsection, the Public Retirement Systems' Actuarial Committee shall provide for

1 the application to such plan.

2 ~~(2)(4)~~ For the Louisiana State Employees' Retirement System, effective
 3 **Effective** for the June 30, ~~2010~~, **2010** system valuation and beginning with Fiscal
 4 Year 2011-2012, the normal cost calculated pursuant to Subparagraph (B)(3)(a) of
 5 this Section, shall be calculated separately for each particular plan within the system.
 6 An employer shall pay employer contributions for each employee at the rate
 7 applicable to the plan of which that employee is a member.

8 ~~(3)(5)~~ For the Louisiana State Employees' Retirement System, effective
 9 **Effective** for the June 30, ~~2010~~, **2010** system valuation and beginning with Fiscal
 10 Year 2011-2012, changes in actuarial liability due to legislation, changes in
 11 governmental organization, or reclassification of employees or positions shall be
 12 calculated individually for each particular plan within the system based on each
 13 plan's actuarial experience as further provided in Subparagraph ~~(4)(c)~~ **(6)(c)** of this
 14 Subsection.

15 ~~(4)(6)~~ For each plan referenced in Paragraph ~~(1)~~ **(3)** of this Subsection, the
 16 legislature shall set the required employer contribution rate equal to the sum of the
 17 following:

18 (a) The particularized normal cost rate. The normal cost rate for each fiscal
 19 year shall be the employer's normal cost for the plan computed by applying the
 20 method specified in R.S. 11:102(B)(1) and (3)(a) to the plan.

21 (b) The shared unfunded accrued liability rate. (i) Except as provided in Item
 22 (ii) of this Subparagraph, a single rate shall be computed for each fiscal year,
 23 applicable to all plans for actuarial changes, gains, and losses existing on June 30,
 24 2010, or occurring thereafter, including experience and investment gains and losses,
 25 which are independent of the existence of the plans listed in Paragraph ~~(1)~~ **(3)** of this
 26 Subsection, the payment and rate therefor shall be calculated as provided in **this**
 27 **Subsection and** Paragraphs (B)(1) and (3) of this Section.

28 (ii) The shared unfunded accrued liability rate applicable to the Harbor Police
 29 Retirement System shall not include any unfunded accrued liability incurred on or
 30 before July 1, 2015, until the earlier of:

1 (aa) July 1, 2022.

2 (bb) The date that all sums payable by the Port of New Orleans to the board
3 of trustees of the Louisiana State Employees' Retirement System pursuant to the
4 terms and conditions of a cooperative endeavor agreement between the board of
5 trustees of the Louisiana State Employees' Retirement System, the board of
6 commissioners of the Port of New Orleans, and the board of trustees of the Harbor
7 Police Retirement System regarding the merger of the Harbor Police Retirement
8 System into the Louisiana State Employees' Retirement System have been paid in
9 full.

10 (c) The particularized unfunded accrued liability rate. For actuarial changes,
11 gains, and losses, excluding experience and investment gains and losses, first
12 recognized in the June 30, ~~2010~~, 2010 valuation or in any later valuation, attributable
13 to one or more, but not all, plans listed in Paragraph ~~(1)~~ (3) of this Subsection or to
14 some new plan or plans, created, implemented, or enacted after July 1, 2010, a
15 particularized contribution rate shall be calculated as provided in **this Subsection**
16 **and** Paragraphs (B)(1) and (3) of this Section.

17 (d) The shared gross employer contribution rate difference. The gross
18 employer contribution rate difference shall be the difference between the minimum
19 gross employer contribution rate provided in Paragraph (B)(5) of this Section and the
20 aggregate employer contribution rate calculated pursuant to the provisions of
21 Subsection B of this Section.

22 ~~(5)~~(7) Each entity funding a portion of the member's salary shall also fund the
23 employer's contribution on that portion of the member's salary at the employer
24 contribution rate specified in this Subsection.

25 ~~(6)~~(8) For purposes of Paragraph (B)(2) of this Section the actuarially
26 required employer contributions and the employer contributions actually received for
27 all plans shall be totaled and treated as a single contribution.

28 ~~(7)~~(9) If provisions of this Section cover matters not specifically addressed
29 by the provisions of this Subsection, then those provisions shall be applicable.

30 D.(1) ~~This~~ **The provisions of this Subsection shall apply to the Teachers'**

1 **Retirement System of Louisiana.**

2 **(2)(a) Except as provided in Subparagraph (b) of this Paragraph and in**
3 **R.S. 11:102.5, effective July 1, 2004, and beginning with Fiscal Year 2000-2001,**
4 **the amortization period for the changes, gains, or losses of the system provided**
5 **in Items (B)(3)(d)(i) through (iv) of this Section shall be thirty years from the**
6 **year in which the change, gain, or loss occurred. The outstanding balances of**
7 **amortization bases established pursuant to Items (B)(3)(d)(i) through (iv) of this**
8 **Section before Fiscal Year 2000-2001, shall be amortized as a level-dollar**
9 **amount from July 1, 2004, through June 30, 2029. Beginning with Fiscal Year**
10 **2003-2004, and for each fiscal year thereafter, the outstanding balances of**
11 **amortization bases established pursuant to Items (B)(3)(d)(i) through (iv) of this**
12 **Section shall be amortized as a level-dollar amount. Effective for the June 30,**
13 **2011 system valuation and beginning with Fiscal Year 2012-2013, amortization**
14 **payments for changes in actuarial liability shall be determined in accordance**
15 **with this Subsection.**

16 **(b) Notwithstanding the provisions of Subparagraph (a) of this**
17 **Paragraph, effective for the June thirtieth valuation following the fiscal year in**
18 **which the system first attains a funded percentage of seventy or more pursuant**
19 **to R.S. 11:883.1 and for every year thereafter, the amortization period for the**
20 **changes, gains, or losses of the system provided in Items (B)(3)(d)(i) through (iv)**
21 **of this Section occurring in that year or thereafter shall be twenty years from**
22 **the year in which the change, gain, or loss occurred.**

23 **(c) Effective for the first system valuation following June 30, 2015, in**
24 **which an allocation is made to the system's experience account and for each**
25 **valuation thereafter, actuarial gains allocated to the experience account shall**
26 **be amortized as a loss with level payments over a ten-year period.**

27 **(3) The provisions of this Paragraph and Paragraphs (4) through (9) of**
28 **this Subsection shall be applicable to the Teachers' Retirement System of Louisiana**
29 **effective for the June 30, 2011, 2011 system valuation and beginning Fiscal Year**
30 **2012-2013. For purposes of this Subsection, "plan" or "plans" shall mean a subgroup**

1 within the system characterized by the following employee classifications:

2 (a) ~~School lunch Plan A.~~

3 (b) ~~School lunch Plan B.~~

4 (c) Employees of an institution of postsecondary education, the Board of
5 Regents, or a postsecondary education management board who are not employed for
6 the sole purpose of providing instruction or administrative services at the primary or
7 secondary level, including at any lab school and the Louisiana School for Math,
8 Science, and the Arts.

9 (d) ~~(b)~~ Any other specialty retirement plan provided for a subgroup of system
10 members. If the legislation enacting such a plan is silent as to the application of this
11 Subsection, the Public Retirement Systems' Actuarial Committee shall provide for
12 the application to such plan.

13 (e) ~~(c)~~ All other teachers, as defined in R.S. 11:701(33), **including members**
14 **paid from school food service funds as provided in R.S. 11:801 and 811.**

15 (2) ~~(4)~~ For the Teachers' Retirement System of Louisiana, effective **Effective**
16 for the June 30, ~~2011~~, **2011** system valuation and beginning with Fiscal Year 2012-
17 2013, the normal cost calculated pursuant to Subparagraph (B)(3)(a) of this Section,
18 shall be calculated separately for each particular plan within the system. An
19 employer shall pay employer contributions for each employee at the rate applicable
20 to the plan of which that employee is a member.

21 (3) ~~(5)~~ For the Teachers' Retirement System of Louisiana, effective **Effective**
22 for the June 30, ~~2011~~, **2011** system valuation and beginning with Fiscal Year
23 2012-2013, changes in actuarial liability due to legislation, changes in governmental
24 organization, or reclassification of employees or positions shall be calculated
25 individually for each particular plan within the system based on each plan's actuarial
26 experience as further provided in Subparagraph ~~(4)(c)~~ **(6)(c)** of this Subsection.

27 (4) ~~(6)~~ For each plan referenced in Paragraph ~~(1)~~ **(3)** of this Subsection, the
28 legislature shall set the required employer contribution rate equal to the sum of the
29 following:

30 (a) The particularized normal cost rate. The normal cost rate for each fiscal

1 year shall be the employer's normal cost for employees in the plan computed by
 2 applying the method specified in Paragraph (B)(1) and Subparagraph (B)(3)(a) of
 3 this Section to the plan.

4 (b) The shared unfunded accrued liability rate. A single rate shall be
 5 computed for each fiscal year, applicable to all plans for actuarial changes, gains, and
 6 losses existing on June 30, 2011, or occurring thereafter, including experience and
 7 investment gains and losses, which are independent of the existence of the plans
 8 listed in Paragraph ~~(1)~~ **(3)** of this Subsection, the payment and rate therefor shall be
 9 calculated as provided in this Subsection and Paragraphs (B)(1) and (3) of this
 10 Section.

11 (c) The particularized unfunded accrued liability rate. For actuarial changes,
 12 gains, and losses, excluding experience and investment gains and losses, first
 13 recognized in the June 30, ~~2011~~, **2011** valuation or in any later valuation, attributable
 14 to one or more, but not all, plans listed in Paragraph ~~(1)~~ **(3)** of this Subsection or to
 15 some new plan or plans, created, implemented, or enacted after July 1, 2011, a
 16 particularized contribution rate shall be calculated as provided in this Subsection
 17 and Paragraphs (B)(1) and (3) of this Section.

18 (d) The shared gross employer contribution rate difference. The gross
 19 employer contribution rate difference shall be the difference between the minimum
 20 gross employer contribution rate provided in Paragraph (B)(5) of this Section and the
 21 aggregate employer contribution rate calculated pursuant to the provisions of
 22 Subsection B of this Section.

23 ~~(5)~~**(7)** Each entity funding a portion of the member's salary shall also fund the
 24 employer's contribution on that portion of the member's salary at the employer
 25 contribution rate specified in this Subsection.

26 ~~(6)~~**(8)** For purposes of Paragraph (B)(2) of this Section the actuarially
 27 required employer contributions and the employer contributions actually received for
 28 all plans shall be totaled and treated as a single contribution.

29 ~~(7)~~**(9)** If provisions of this Section cover matters not specifically addressed
 30 by the provisions of this Subsection, then those provisions shall be applicable.

1 E.(1) Except as provided in Paragraphs (2) and (3) of this Subsection and
2 in R.S. 11:102.5, effective July 1, 2004, and beginning with Fiscal Year
3 2000-2001, the amortization period for the changes, gains, or losses of the
4 Louisiana School Employees' Retirement System provided in Items (B)(3)(d)(i)
5 through (iv) of this Section shall be thirty years from the year in which the
6 change, gain, or loss occurred. The outstanding balances of amortization bases
7 established pursuant to Items (B)(3)(d)(i) through (iv) of this Section before
8 Fiscal Year 2000-2001, shall be amortized as a level-dollar amount from July 1,
9 2004, through June 30, 2029. Beginning with Fiscal Year 2003-2004, and for
10 each fiscal year thereafter, the outstanding balances of amortization bases
11 established pursuant to Items (B)(3)(d)(i) through (iv) of this Section shall be
12 amortized as a level-dollar amount.

13 (2)(a) All outstanding amortization bases in existence on June 30, 2014,
14 including outstanding balances established pursuant to Subparagraph (B)(3)(c)
15 of this Section, shall be consolidated and reamortized over the period ending
16 June 30, 2044, with level-dollar payments, effective with the June 30, 2014
17 valuation. This Paragraph shall not apply to amortization bases established
18 after June 30, 2014.

19 (b) After payment of a permanent benefit increase pursuant to the
20 provisions of R.S. 11:1145.1, the unused portion of the June 30, 2013 experience
21 account balance shall be credited in an amortization conversion account from
22 which annual contributions required pursuant to Subparagraph (a) of this
23 Paragraph shall be funded in whole or in part for the years July 1, 2014,
24 through June 30, 2019. Effective June 30, 2019, all funds remaining in the
25 amortization conversion account shall be amortized as a gain in accordance
26 with the provisions of this Subsection.

27 (3) Notwithstanding the provisions of Paragraph (1) of this Subsection,
28 effective for the June thirtieth valuation following the fiscal year in which the
29 system first attains a funded percentage of seventy-two or more pursuant to
30 R.S. 11:1145.1 and for every year thereafter, the amortization period for the

1 changes, gains, or losses of the system provided in Items (B)(3)(d)(i) through (iv)
2 of this Section occurring in that year or thereafter shall be twenty years from
3 the year in which the change, gain, or loss occurred.

4 (4) Effective for the first system valuation following June 30, 2015, in
5 which an allocation is made to the system's experience account and for each
6 valuation thereafter, actuarial gains allocated to the experience account shall
7 be amortized as a loss with level payments over a ten-year period.

8 F.(1) Except as provided in Paragraph (2) of this Subsection and in R.S.
9 11:102.5, effective July 1, 2009, and beginning with Fiscal Year 1992-1993, the
10 amortization period for the changes, gains, or losses of the Louisiana State
11 Police Retirement System provided in Items (B)(3)(d)(i) through (iv) of this
12 Section shall be thirty years from the year in which the change, gain, or loss
13 occurred. The outstanding balances of amortization bases established pursuant
14 to Items (B)(3)(d)(i) through (iv) of this Section before Fiscal Year 2008-2009
15 shall be amortized as a level-dollar amount from July 1, 2009, through June 30,
16 2029. Beginning with Fiscal Year 2008-2009, and for each fiscal year thereafter,
17 the outstanding balances of amortization bases established pursuant to Items
18 (B)(3)(d)(i) through (iv) of this Section shall be amortized as a level-dollar
19 amount.

20 (2) Notwithstanding the provisions of Paragraph (1) of this Subsection,
21 effective for the June thirtieth valuation following the fiscal year in which the
22 system first attains a funded percentage of seventy or more pursuant to R.S.
23 11:1332 and for every year thereafter, the amortization period for the changes,
24 gains, or losses of the system provided in Items (B)(3)(d)(i) through (iv) of this
25 Section occurring in that year or thereafter shall be twenty years from the year
26 in which the change, gain, or loss occurred.

27 (3) Effective for the first system valuation following June 30, 2015, in
28 which an allocation is made to the system's experience account and for each
29 valuation thereafter, actuarial gains allocated to the experience account shall
30 be amortized as a loss with level payments over a ten-year period.

1 §102.1. ~~Consolidation of amortization~~ Amortization payment schedules; priority
 2 excess return allocations; Louisiana State Employees' Retirement
 3 System

4 A. * * *

5 **(4) For purposes of this Section, the following shall apply:**

6 **(a) "Primary priority amount" shall mean the maximum amount of**
 7 **system returns in excess of the system's actuarially assumed rate of return that**
 8 **may be applied to the original amortization base, regardless of whether actual**
 9 **returns that equal or exceed the maximum are available, and shall equal:**

10 **(i) For the June 30, 2015 valuation, fifty million dollars.**

11 **(ii) For each valuation thereafter, the prior year's primary priority**
 12 **amount increased by the percentage increase in the system's actuarial value of**
 13 **assets for the prior year, if any.**

14 **(b) "Primary allocation" shall mean the actual returns available for**
 15 **application to the original amortization base.**

16 **(c) "Secondary priority amount" shall mean the maximum amount of**
 17 **system returns in excess of the system's actuarially assumed rate of return that**
 18 **may be applied to the experience account amortization base, regardless of**
 19 **whether actual returns that equal or exceed the maximum are available, and**
 20 **shall equal:**

21 **(i) For the June 30, 2015 valuation, fifty million dollars.**

22 **(ii) For each valuation thereafter, before the original amortization base**
 23 **is liquidated, the prior year's secondary priority amount increased by the**
 24 **percentage increase in the system's actuarial value of assets for the prior year,**
 25 **if any.**

26 **(iii) For the valuation in which the original amortization base is**
 27 **liquidated, that year's secondary priority amount calculated pursuant to Item**
 28 **(ii) of this Subparagraph plus any money from that year's primary priority**
 29 **amount remaining after liquidation of the original amortization base.**

30 **(iv) For the first valuation after the original amortization base is**

1 liquidated, the portion of the prior year's primary priority amount that was
2 necessary to liquidate the original amortization base plus the prior year's
3 secondary priority amount, both increased by the percentage increase in the
4 system's actuarial value of assets for the prior year, if any.

5 (v) For the second valuation after the original amortization base is
6 liquidated and for each valuation thereafter, the prior year's secondary priority
7 amount increased by the percentage increase in the system's actuarial value of
8 assets for the prior year, if any.

9 (d) "Secondary allocation" shall mean the actual returns available for
10 application to the experience account amortization base.

11 (e) "Residual priority amount" shall mean the maximum amount of
12 system returns in excess of the system's actuarially assumed rate of return that
13 may be applied to the oldest outstanding positive amortization base after
14 liquidation of the experience account amortization base, regardless of whether
15 actual returns that equal or exceed the maximum are available, and shall equal:

16 (i) For the valuation in which the experience account amortization base
17 is liquidated, the money from that year's secondary allocation remaining after
18 liquidation of the experience account amortization base, if any.

19 (ii) For the first valuation after the experience account amortization base
20 is liquidated, the prior year's secondary priority amount, increased by the
21 percentage increase in the system's actuarial value of assets for the prior year,
22 if any.

23 (iii) For the second valuation after the experience account amortization
24 base is liquidated and for each valuation thereafter, the prior year's residual
25 priority amount increased by the percentage increase in the system's actuarial
26 value of assets for the prior year, if any.

27 (f) "Residual allocation" shall mean the actual returns available for
28 application to the oldest outstanding positive amortization base after liquidation
29 of the experience account amortization base.

30 (g) In no event shall the total of one year's priority amounts be less than

1 the total of the previous year's priority amounts.

2 (h) Notwithstanding the provisions of Subparagraph (i) of this
3 Paragraph, effective for the June thirtieth valuation following the fiscal year in
4 which the system first attains a funded percentage of eighty or more pursuant
5 to R.S. 11:542 and for each valuation thereafter, the net remaining liability of
6 the amortization base to which the funds are applied shall be reamortized with
7 annual level-dollar payments calculated as provided in R.S. 11:102 over the
8 remainder of the amortization period originally established for that
9 amortization base.

10 (i) Beginning with Fiscal Year 2019-2020 and every fifth fiscal year
11 thereafter, the remaining liability net of all payments made since the last
12 reamortization shall be reamortized over the remainder of the amortization
13 period originally established for that amortization base with annual payments
14 calculated as provided for in this Section.

15 (j) Except as provided in Subparagraphs (h) and (i) of this Paragraph
16 and in Item (B)(3)(a)(iv) of this Section, the net remaining liability of the
17 amortization base to which the funds are applied shall not be reamortized after
18 such application.

19 B. Original amortization base.

20 * * *

21 (2)(a) * * *

22 (b) The balance in this account as of June 30, 2008, exclusive of any
23 subaccount balance, shall be credited with interest at the system's ~~actuarially-~~
24 ~~assumed~~ actuarially assumed interest rate until the funds in the account are applied
25 as provided in this Subsection.

26 (3)(a) This consolidated amortization base shall be known as the "original
27 amortization base" and shall be amortized with annual payments calculated as
28 follows:

29 (i) For Fiscal Year 2010-2011, the projected payment shall be the amount
30 specified in the June 30, 2009 system valuation adopted by the Public Retirement

1 Systems' Actuarial Committee pursuant to R.S. 11:127. The ~~actuarially-required~~
 2 **actuarially required** contribution shall be determined in accordance with the
 3 provisions of R.S. 11:102 in the June 30, 2010 system valuation adopted by the
 4 committee.

5 * * *

6 **(iv) Notwithstanding any provision of this Section to the contrary, the net**
 7 **remaining liability shall be reamortized over the remainder of the amortization**
 8 **period ending in 2029 in the first valuation after Fiscal Year 2019-2020 for**
 9 **which this reamortization results in annual level-dollar payments that do not**
 10 **exceed the payment otherwise required for that year's valuation.**

11 * * *

12 (4)(a) Except as provided in Paragraph (6) of this Subsection, in any year in
 13 which the system exceeds its actuarially-assumed **actuarially assumed** rate of
 14 return, ~~the excess returns, up to the first fifty million for the June 30, 2015, valuation,~~
 15 **the primary allocation** shall be applied to the remaining balance of the original
 16 amortization base established in this Subsection. ~~The maximum amount of excess~~
 17 ~~returns to be applied in any subsequent year pursuant to the provisions of this~~
 18 ~~Subparagraph shall equal the prior year's maximum amount increased by the~~
 19 ~~percentage increase in the system's actuarial value of assets for the preceding year,~~
 20 ~~if any.~~

21 (b) For any payment made pursuant to the provisions of this Paragraph, if the
 22 system is eighty-five percent funded or greater prior to the application of the funds,
 23 ~~the net remaining liability shall be reamortized over the remaining amortization~~
 24 ~~period with annual payments calculated as provided in this Subsection or as~~
 25 ~~otherwise provided by law; if the system is less than eighty-five percent funded prior~~
 26 ~~to application of the funds, the net remaining liability shall not be reamortized after~~
 27 ~~such application.~~

28 (5) Notwithstanding the provisions of R.S. 11:102(B)(3)(c) and (5) or any
 29 other provision of law to the contrary, in any year through Fiscal Year 2016-2017 in
 30 which the system receives an overpayment of employer contributions as determined

1 pursuant to R.S. 11:102(B)(2) and in any year through Fiscal Year 2016-2017 in
 2 which the system receives additional contributions pursuant to R.S. 11:102(B)(5),
 3 the amount of such overpayment or additional contribution shall be applied to the
 4 remaining balance of the original amortization base established pursuant to this
 5 Subsection. For any payment made pursuant to the provisions of this Paragraph, if
 6 the system is eighty-five percent funded or greater prior to the application of the
 7 funds, the net remaining liability shall be reamortized over the remaining
 8 amortization period with annual payments calculated as provided in this Subsection
 9 or as otherwise provided by law; if the system is less than eighty-five percent funded
 10 prior to application of the funds, the net remaining liability shall not be reamortized
 11 after such application.

12 (6) For the June 30, 2014, 2014 valuation, if the system exceeds its
 13 ~~actuarially-assumed~~ **actuarially assumed** rate of return, the excess returns, up to the
 14 first twenty-five million dollars, shall be applied to the remaining balance of the
 15 original amortization base established in this Subsection, without reamortization of
 16 such base.

17 C. Experience account amortization base.

18 * * *

19 (2) To this shall be applied the balance in the experience account or the
 20 balance in the subaccount of the Texaco Account created pursuant to R.S.
 21 11:542(A)(1)(b)(iii).

22 (3) This consolidated amortization base shall be known as the "experience
 23 account amortization base" and shall be amortized with annual payments over a
 24 thirty-year period beginning in Fiscal Year 2010-2011 as follows:

25 (a) For Fiscal Year 2010-2011, the projected payment shall be the amount
 26 specified in the June 30, 2009 system valuation adopted by the Public Retirement
 27 Systems' Actuarial Committee pursuant to R.S. 11:127. The ~~actuarially-required~~
 28 **actuarially required** contribution shall be determined in accordance with the
 29 provisions of R.S. 11:102 in the June 30, 2010 system valuation adopted by the
 30 committee.

* * *

(c) Beginning in Fiscal Year 2018-2019, the outstanding balance shall be amortized over the remaining period with annual ~~level-dollar~~ **level-dollar** payments.

(4)~~(a)~~ Except as provided in Paragraph (6) of this Subsection, in any year **before the liquidation of the original amortization base** in which the excess returns of the system exceed the **primary priority** amount ~~applied to the Original Amortization Base pursuant to Subparagraph (B)(4)(a) of this Section, the remaining~~ excess returns, up to the next fifty million dollars for the June 30, 2015, valuation, **the secondary allocation** shall be applied to the experience account amortization base established in this Subsection. ~~The maximum amount of excess returns to be applied in any subsequent year pursuant to the provisions of this Subparagraph shall equal the prior year's maximum amount increased by the percentage increase in the system's actuarial value of assets for the preceding year, if any.~~ **In the year in which the original amortization base is liquidated and for each year thereafter until the experience account amortization base is liquidated, the secondary allocation shall be applied to the experience account amortization base.**

~~(b) For any payment made pursuant to the provisions of this Paragraph, if the system is eighty-five percent funded or greater prior to the application of the funds, the net remaining liability shall be reamortized over the remaining amortization period with annual payments calculated as provided in this Subsection or as otherwise provided by law; if the system is less than eighty-five percent funded prior to application of the funds, the net remaining liability shall not be reamortized after such application.~~

(5) Notwithstanding the provisions of R.S. 11:102(B)(3)(c) and (5) or any other provision of law to the contrary, in any year from Fiscal Year 2017-2018 through Fiscal Year 2039-2040 in which the system receives an overpayment of employer contributions as determined pursuant to R.S. 11:102(B)(2) and in any year from Fiscal Year 2017-2018 through Fiscal Year 2039-2040 in which the system receives additional contributions pursuant to R.S. 11:102(B)(5), the amount of such overpayment or additional contribution shall be applied to the remaining balance of

1 the experience account amortization base established pursuant to this Subsection. For
 2 any payment made pursuant to the provisions of this Paragraph, if the system is
 3 eighty-five percent funded or greater prior to the application of the funds, the net
 4 remaining liability shall be reamortized over the remaining amortization period with
 5 annual payments calculated as provided in this Subsection or as otherwise provided
 6 by law; if the system is less than eighty-five percent funded prior to application of
 7 the funds, the net remaining liability shall not be reamortized after such application.

8 (6) For the June 30, ~~2014~~, 2014 valuation, if the excess returns of the system
 9 exceed the amount applied to the original amortization base pursuant to
 10 Subparagraph ~~Paragraph~~ Paragraph (B)(6) of this Section, the remaining excess returns, up to
 11 the next twenty-five million dollars, shall be applied to the remaining balance of the
 12 experience account amortization base established in this Subsection, without
 13 reamortization of such base.

14 **D.(1) If both the original amortization base and the experience account**
 15 **amortization base have been liquidated, the residual allocation shall be applied**
 16 **to the system's oldest outstanding positive amortization base, excluding any**
 17 **liability established pursuant to R.S. 11:102(B)(2)(a) or (3)(c) or (C)(6)(c) until**
 18 **all such bases are completely liquidated. After the final base is completely**
 19 **liquidated, the assets shall be treated as provided in R.S. 11:102(B)(4).**

20 **(2) If there are multiple positive bases of the same age and the same**
 21 **duration, all such bases shall be collapsed into a single base for purposes of this**
 22 **Subsection.**

23 **(3) If there are multiple positive bases of the same age but of different**
 24 **durations, the oldest outstanding positive amortization base with the shortest**
 25 **remaining amortization period shall be treated as the "oldest" for purposes of**
 26 **this Subsection.**

27 §102.2. ~~Consolidation of amortization~~ Amortization payment schedules; priority
 28 excess return allocations; Teachers' Retirement System of Louisiana

29 A. * * *

30 **(4) For purposes of this Section, the following shall apply:**

1 (a) "Primary priority amount" shall mean the maximum amount of
2 system returns in excess of the system's actuarially assumed rate of return that
3 may be applied to the original amortization base, regardless of whether actual
4 returns that equal or exceed the maximum are available, and shall equal:

5 (i) For the June 30, 2015 valuation, one hundred million dollars.

6 (ii) For each valuation thereafter, the prior year's primary priority
7 amount increased by the percentage increase in the system's actuarial value of
8 assets for the prior year, if any.

9 (b) "Primary allocation" shall mean the actual returns available for
10 application to the original amortization base.

11 (c) "Secondary priority amount" shall mean the maximum amount of
12 system returns in excess of the system's actuarially assumed rate of return that
13 may be applied to the experience account amortization base, regardless of
14 whether actual returns that equal or exceed the maximum are available, and
15 shall equal:

16 (i) For the June 30, 2015 valuation, one hundred million dollars.

17 (ii) For each valuation thereafter, before the original amortization base
18 is liquidated, the prior year's secondary priority amount increased by the
19 percentage increase in the system's actuarial value of assets for the prior year,
20 if any.

21 (iii) For the valuation in which the original amortization base is
22 liquidated, that year's secondary priority amount calculated pursuant to Item
23 (ii) of this Subparagraph plus any money from that year's primary priority
24 amount remaining after liquidation of the original amortization base.

25 (iv) For the first valuation after the original amortization base is
26 liquidated, the portion of the prior year's primary priority amount that was
27 necessary to liquidate the original amortization base plus the prior year's
28 secondary priority amount, both increased by the percentage increase in the
29 system's actuarial value of assets for the prior year, if any.

30 (v) For the second valuation after the original amortization base is

1 liquidated and for each valuation thereafter, the prior year's secondary priority
2 amount increased by the percentage increase in the system's actuarial value of
3 assets for the prior year, if any.

4 (d) "Secondary allocation" shall mean the actual returns available for
5 application to the experience account amortization base.

6 (e) "Residual priority amount" shall mean the maximum amount of
7 system returns in excess of the system's actuarially assumed rate of return that
8 may be applied to the oldest outstanding positive amortization base after
9 liquidation of the experience account amortization base, regardless of whether
10 actual returns that equal or exceed the maximum are available, and shall equal:

11 (i) For the valuation in which the experience account amortization base
12 is liquidated, the money from that year's secondary allocation remaining after
13 liquidation of the experience account amortization base, if any.

14 (ii) For the first valuation after the experience account amortization base
15 is liquidated, the prior year's secondary priority amount, increased by the
16 percentage increase in the system's actuarial value of assets for the prior year,
17 if any.

18 (iii) For the second valuation after the experience account amortization
19 base is liquidated and for each valuation thereafter, the prior year's residual
20 priority amount increased by the percentage increase in the system's actuarial
21 value of assets for the prior year, if any.

22 (f) "Residual allocation" shall mean the actual returns available for
23 application to the oldest outstanding positive amortization base after liquidation
24 of the experience account amortization base.

25 (g) In no event shall the total of one year's priority amounts be less than
26 the total of the previous year's priority amounts.

27 (h) Notwithstanding the provisions of Subparagraph (i) of this
28 Paragraph, effective for the June thirtieth valuation following the fiscal year in
29 which the system first attains a funded percentage of eighty or more pursuant
30 to R.S. 11:883.1 and for each valuation thereafter, the net remaining liability of

1 the amortization base to which the funds are applied shall be reamortized with
 2 annual level-dollar payments calculated as provided in R.S. 11:102 over the
 3 remainder of the amortization period originally established for that
 4 amortization base.

5 (i) Beginning with the 2019-2020 Fiscal Year and every fifth fiscal year
 6 thereafter, the remaining liability net of all payments made since the last
 7 reamortization shall be reamortized over the remainder of the amortization
 8 period originally established for that amortization base with annual payments
 9 calculated as provided for in this Section.

10 (j) Except as provided in Subparagraphs (h) and (i) of this Paragraph
 11 and in Item (B)(3)(a)(iv) of this Section, the net remaining liability of the
 12 amortization base to which the funds are applied shall not be reamortized after
 13 such application.

14 B. Original amortization base.

15 * * *

16 (2)(a) To this base shall be applied any monies in the separate fund known
 17 alternatively as the "Texaco Account" or the "Initial Unfunded Accrued Liability
 18 Account"on June 30, 2010, and any appropriation provided in the 2009 Regular
 19 Session of the Legislature. The balance in this account as of June 30, 2008, exclusive
 20 of any subaccount balance, shall be credited with interest at the system's ~~actuarially-~~
 21 ~~assumed~~ **actuarially assumed** interest rate until the funds in the account are applied
 22 as provided in this Subsection.

23 * * *

24 (3)(a) This consolidated amortization base shall be known as the "original
 25 amortization base" and shall be amortized with annual payments calculated as
 26 follows:

27 (i) For Fiscal Year 2010-2011, the projected payment shall be the amount
 28 specified in the June 30, 2009 system valuation adopted by the Public Retirement
 29 Systems' Actuarial Committee pursuant to R.S. 11:127. The ~~actuarially-required~~
 30 **actuarially required** contribution shall be determined in accordance with the

1 provisions of R.S. 11:102 in the June 30, 2010 system valuation adopted by the
 2 committee.

3 * * *

4 (iv) Notwithstanding any provision of this Section to the contrary, the net
 5 remaining liability shall be reamortized over the remainder of the amortization
 6 period ending in 2029 in the first valuation after Fiscal Year 2019-2020 for
 7 which this reamortization results in annual level-dollar payments that do not
 8 exceed the payment otherwise required for that valuation.

9 * * *

10 (4)(a) Except as provided in Paragraph (5) of this Subsection, in any year in
 11 which the system exceeds its actuarially-assumed actuarially assumed rate of
 12 return, ~~the excess returns, up to the first one hundred million dollars for the June 30,~~
 13 ~~2015, valuation,~~ the primary allocation shall be applied to the remaining balance
 14 of the original amortization base established in this Subsection. ~~The maximum~~
 15 ~~amount of excess returns to be applied in any subsequent year pursuant to the~~
 16 ~~provisions of this Subparagraph shall equal the prior year's maximum amount~~
 17 ~~increased by the percentage increase in the system's actuarial value of assets for the~~
 18 ~~preceding year, if any.~~

19 (b) ~~For any payment made pursuant to the provisions of this Paragraph, if the~~
 20 ~~system is eighty-five percent funded or greater prior to the application of the funds,~~
 21 ~~the net remaining liability shall be reamortized over the remaining amortization~~
 22 ~~period with annual payments calculated as provided in this Subsection or as~~
 23 ~~otherwise provided by law; if the system is less than eighty-five percent funded prior~~
 24 ~~to application of the funds, the net remaining liability shall not be reamortized after~~
 25 ~~such application.~~

26 (5) For the June 30, ~~2014,~~ 2014 valuation, if the system exceeds its
 27 ~~actuarially-assumed~~ actuarially assumed rate of return, the excess returns, up to the
 28 first fifty million dollars, shall be applied to the remaining balance of the original
 29 amortization base established in this Subsection, without reamortization of such
 30 base.

1 C. Experience account amortization base.

2 * * *

3 (2) To this shall be applied the balance in the experience account or the
4 balance in the subaccount of the Texaco Account created pursuant to R.S.
5 11:883.1(A)(1)(b)(iii).

6 (3) This consolidated amortization base shall be known as the "experience
7 account amortization base" and shall be amortized with annual payments over a
8 thirty-year period beginning in Fiscal Year 2010-2011 as follows:

9 (a) For Fiscal Year 2010-2011, the projected payment shall be the amount
10 specified in the June 30, 2009 system valuation adopted by the Public Retirement
11 Systems' Actuarial Committee pursuant to R.S. 11:127. The ~~actuarially-required~~
12 **actuarially required** contribution shall be determined in accordance with the
13 provisions of R.S. 11:102 in the June 30, 2010 system valuation adopted by the
14 committee.

15 * * *

16 (c) Beginning in Fiscal Year 2018-2019, the outstanding balance shall be
17 amortized over the remaining period with annual ~~level-dollar~~ **level-dollar** payments.

18 (4)(a) Except as provided in Paragraph (6) of this Subsection, in any year
19 **before the liquidation of the original amortization base** in which the excess
20 returns of the system exceed the **primary priority** amount ~~applied to the Original~~
21 ~~Amortization Base pursuant to Subparagraph (B)(4)(a) of this Section, the remaining~~
22 ~~excess returns, up to the next one hundred million dollars for the June 30, 2015,~~
23 ~~valuation, the secondary allocation~~ shall be applied to the experience account
24 amortization base established in this Subsection. ~~The maximum amount of excess~~
25 ~~returns to be applied in any subsequent year pursuant to the provisions of this~~
26 ~~Subparagraph shall equal the prior year's maximum amount increased by the~~
27 ~~percentage increase in the system's actuarial value of assets for the preceding year,~~
28 ~~if any. In the year in which the original amortization base is liquidated and for~~
29 ~~each year thereafter until the experience account amortization base is~~
30 ~~liquidated, the secondary allocation shall be applied to the experience account~~

1 **amortization base.**

2 ~~(b) For any payment made pursuant to the provisions of this Paragraph, if the~~
3 ~~system is eighty-five percent funded or greater prior to the application of the funds,~~
4 ~~the net remaining liability shall be reamortized over the remaining amortization~~
5 ~~period with annual payments calculated as provided in this Subsection or as~~
6 ~~otherwise provided by law; if the system is less than eighty-five percent funded prior~~
7 ~~to application of the funds, the net remaining liability shall not be reamortized after~~
8 ~~such application.~~

9 (5) Notwithstanding the provisions of R.S. 11:102(B)(3)(c) and (5) or any
10 other provision of law to the contrary, in any year from Fiscal Year 2009-2010
11 through Fiscal Year 2039-2040 in which the system receives an overpayment of
12 employer contributions as determined pursuant to R.S. 11:102(B)(2) and in any year
13 from Fiscal Year 2009-2010 through Fiscal Year 2039-2040 in which the system
14 receives additional contributions pursuant to R.S. 11:102(B)(5), the amount of such
15 overpayment or additional contribution shall be applied to the remaining balance of
16 the experience account amortization base established pursuant to this Subsection. ~~For~~
17 ~~any payment made pursuant to the provisions of this Paragraph, if the system is~~
18 ~~eighty-five percent funded or greater prior to the application of the funds, the net~~
19 ~~remaining liability shall be reamortized over the remaining amortization period with~~
20 ~~annual payments calculated as provided in this Subsection or as otherwise provided~~
21 ~~by law; if the system is less than eighty-five percent funded prior to application of~~
22 ~~the funds, the net remaining liability shall not be reamortized after such application.~~

23 (6) For the June 30, ~~2014~~, **2014** valuation, if the excess returns of the system
24 exceed the amount applied to the original amortization base pursuant to
25 ~~Subparagraph~~ **Paragraph** (B)(5) of this Section, the remaining excess returns, up to
26 the next fifty million dollars, shall be applied to the remaining balance of the
27 experience account amortization base established in this Subsection, without
28 reamortization of such base.

29 **D.(1) If both the original amortization base and the experience account**
30 **amortization base have been liquidated, the residual allocation shall be applied**

1 to the system's oldest outstanding positive amortization base, excluding any
 2 liability established pursuant to R.S. 11:102(B)(2)(a) or (3)(c) or (D)(6)(c), until
 3 all such bases are completely liquidated. After the final base is completely
 4 liquidated, the assets shall be treated as provided in R.S. 11:102(B)(4).

5 (2) If there are multiple positive bases of the same age and the same
 6 duration, all such bases shall be collapsed into a single base for purposes of this
 7 Subsection.

8 (3) If there are multiple positive bases of the same age but of different
 9 durations, the oldest outstanding positive amortization base with the shortest
 10 remaining amortization period shall be treated as the "oldest" for purposes of
 11 this Subsection.

12 §102.3. Priority excess return allocations; Louisiana School Employees'

13 Retirement System

14 A. For purposes of this Section, the following shall apply:

15 (1) "Priority amount" shall mean the maximum amount of system
 16 returns in excess of the system's actuarially assumed rate of return that may be
 17 applied to the oldest outstanding positive amortization base, regardless of
 18 whether actual returns that equal or exceed the maximum are available, and
 19 shall equal:

20 (a) For the June 30, 2015 valuation, fifteen million dollars.

21 (b) For each valuation thereafter, the prior year's priority amount
 22 increased by the percentage increase in the system's actuarial value of assets for
 23 the prior year, if any.

24 (2) "Priority allocation" shall mean the actual returns available for
 25 application to the oldest outstanding positive amortization base.

26 (3) For any valuation in which the oldest outstanding positive
 27 amortization base is liquidated without using the full amount of the priority
 28 allocation, the remaining amount from that year's priority allocation after
 29 liquidation of the oldest base shall be applied to the next oldest base.

30 (4) In no event shall one year's priority amount be less than the previous

1 year's priority amount.

2 (5) Notwithstanding the provisions of Paragraph (6) of this Subsection,
3 effective for the June thirtieth valuation following the fiscal year in which the
4 system first attains a funded percentage of eighty or more pursuant to R.S.
5 11:1145.1 and for each valuation thereafter, the net remaining liability of the
6 amortization base to which the funds are applied shall be reamortized with
7 annual level-dollar payments calculated as provided in R.S. 11:102 over the
8 remainder of the amortization period originally established for that
9 amortization base.

10 (6) Beginning with Fiscal Year 2019-2020 and every fifth fiscal year
11 thereafter, the remaining liability net of all payments made since the last
12 reamortization shall be reamortized with annual level-dollar payments
13 calculated as provided in R.S. 11:102 over the remainder of the amortization
14 period originally established for that amortization base.

15 (7) Except as provided in Paragraphs (5) and (6) of this Subsection, the
16 net remaining liability of the amortization base to which the funds are applied
17 shall not be reamortized after such application.

18 B.(1) Effective for the June 30, 2015 valuation and for each valuation
19 thereafter, if the system's investment experience for the fiscal year exceeds the
20 system's actuarially assumed rate of return, the system shall apply the priority
21 allocation to the oldest outstanding positive amortization base of the system,
22 excluding any amortization base established to amortize a liability pursuant to
23 R.S. 11:102(B)(2)(a) or (3)(c) until all such bases are completely liquidated.
24 After the final base is completely liquidated, the assets shall be treated as
25 provided in R.S. 11:102(B)(4).

26 (2) If there are multiple positive bases of the same age and the same
27 duration, all such bases shall be collapsed into a single base for purposes of this
28 Subsection.

29 (3) If there are multiple positive bases of the same age but of different
30 durations, the oldest outstanding positive amortization base with the shortest

1 remaining amortization period shall be treated as the "oldest" for purposes of
2 this Subsection.

3 C. Effective for the June 30, 2014 valuation, if the system's investment
4 experience for the fiscal year exceeds the system's actuarially assumed rate of
5 return, the system shall apply the excess investment experience returns, up to
6 a maximum of the first seven and one-half million dollars, to the oldest
7 outstanding positive amortization base of the system, excluding any
8 amortization base established to amortize a liability pursuant to R.S.
9 11:102(B)(2)(a) or (3)(c) without reamortization of such base.

10 §102.4. Priority excess return allocations; State Police Retirement System

11 A. For purposes of this Section, the following shall apply:

12 (1) "Priority amount" shall mean the maximum amount of system
13 returns in excess of the system's actuarially assumed rate of return that may be
14 applied to the oldest outstanding positive amortization base, regardless of
15 whether actual returns that equal or exceed the maximum are available, and
16 shall equal:

17 (a) For the June 30, 2015 valuation, five million dollars.

18 (b) For each valuation thereafter, the prior year's priority amount
19 increased by the percentage increase in the system's actuarial value of assets for
20 the prior year, if any.

21 (2) "Priority allocation" shall mean the actual returns available for
22 application to the oldest outstanding positive amortization base.

23 (3) For any valuation in which the oldest outstanding positive
24 amortization base is liquidated without using the full amount of the priority
25 allocation, the remaining amount from that year's priority allocation after
26 liquidation of the oldest base shall be applied to the next oldest base.

27 (4) In no event shall one year's priority amount be less than the previous
28 year's priority amount.

29 (5) Notwithstanding the provisions of Paragraph (6) of this Subsection,
30 effective for the June thirtieth valuation following the fiscal year in which the

1 system first attains a funded percentage of eighty or more pursuant to R.S.
2 11:1332 and for each valuation thereafter, the net remaining liability of the
3 amortization base to which the funds are applied shall be reamortized with
4 annual level-dollar payments calculated as provided in R.S. 11:102 over the
5 remainder of the amortization period originally established for that
6 amortization base.

7 (6) Beginning with Fiscal Year 2019-2020 and every fifth fiscal year
8 thereafter, the remaining liability net of all payments made since the last
9 reamortization shall be reamortized with annual level-dollar payments
10 calculated as provided in R.S. 11:102 over the remainder of the amortization
11 period originally established for that amortization base.

12 (7) Except as provided in Paragraphs (5) and (6) of this Subsection, the
13 net remaining liability of the amortization base to which the funds are applied
14 shall not be reamortized after such application.

15 B.(1) Effective for the June 30, 2015 valuation and for each valuation
16 thereafter, if the system's investment experience for the fiscal year exceeds the
17 system's actuarially assumed rate of return, the system shall apply the priority
18 allocation to the oldest outstanding positive amortization base of the system,
19 excluding any amortization base established to amortize a liability pursuant to
20 R.S. 11:102(B)(2)(a) or (3)(c) until all such bases are completely liquidated.
21 After the final base is completely liquidated, the assets shall be treated as
22 provided in R.S. 11:102(B)(4).

23 (2) If there are multiple positive bases of the same age and the same
24 duration, all such bases shall be collapsed into a single base for purposes of this
25 Subsection.

26 (3) If there are multiple positive bases of the same age but of different
27 durations, the oldest outstanding positive amortization base with the shortest
28 remaining amortization period shall be treated as the "oldest" for purposes of
29 this Subsection.

30 C. Effective for the June 30, 2014 valuation, if the system's investment

1 experience for the fiscal year exceeds the system's actuarially assumed rate of
 2 return, the system shall apply the excess investment experience returns, up to
 3 a maximum of the first two and one-half million dollars, to the oldest
 4 outstanding positive amortization base of the system, excluding any
 5 amortization base established to amortize a liability pursuant to R.S.
 6 11:102(B)(2)(a) or (3)(c), and without reamortization of such base.

7 §102.5. State systems' 2014 valuation amortization period

8 Notwithstanding any provision of R.S. 11:102 or any other law to the
 9 contrary, for the June 30, 2014 valuation the amortization period for investment
 10 gains of the Louisiana State Employees' Retirement System, the Teachers'
 11 Retirement System of Louisiana, the Louisiana School Employees' Retirement
 12 System, and the State Police Retirement System not allocated to an amortization
 13 base pursuant to R.S. 11:102.1, 102.2, 102.3, or 102.4 and not credited to the
 14 experience account shall be five years.

15 ~~§102.3.~~ §102.6. Review of volatility

16 Following the close of Fiscal Year ~~2018-2019~~ 2016-2017, the future volatility
 17 of the then-existing schedules of each state system shall be reexamined by staff of
 18 each system and of the legislature, including actuaries for both. The results of this
 19 reexamination, which may identify issues to be resolved and include
 20 recommendations for plan amendments, shall be reported to the Public Retirement
 21 Systems' Actuarial Committee by November 1, ~~2019~~ 2017. The committee shall
 22 review the results and determine what changes to the system plan provisions, if any,
 23 are advisable. If appropriate, the committee shall make a recommendation to the
 24 legislature by December 15, 2017, on whether and what type of legislation is
 25 warranted.

26 * * *

27 §542. Experience account

28 A.(1)~~(a)~~ Effective July 1, 2004, the balance in the experience account shall
 29 be zero.

30 ~~(b)(2)~~ Effective June 30, 2009, the balance in the experience account shall be

1 zero. Any funds in the experience account on June 29, 2009, shall be allocated in the
2 following order:

3 ~~(i)(a)~~ To provide for any net investment loss attributable to the balance in the
4 account as provided in ~~Paragraph (B)(1)~~ **Subparagraph (B)(3)(a)** of this Section.

5 ~~(ii)(b)~~ To fund any permanent benefit increase or minimum benefit pursuant
6 to ~~the Act that originated as House Bill No. 586~~ **Act 144** of the 2009 Regular Session
7 of the Legislature.

8 ~~(iii)(c)~~ To apply to the experience account amortization base as provided in
9 R.S. 11:102.1(C)(2); however, as of June 30, 2009, these funds shall be transferred
10 to the system's Texaco Account and retained in a subaccount of that account until
11 that account is applied as provided in R.S. 11:102.1. The subaccount shall continue
12 to be credited and debited as provided in ~~Subparagraph (A)(2)(b) and Paragraph~~
13 ~~(B)(1)~~ of this Section until such application.

14 **B.(1) Effective for the June 30, 2015 valuation, the system's funded**
15 **percentage for purposes of this Section shall be determined before any**
16 **allocation to the experience account.**

17 (2) The experience account shall be credited as follows:

18 (a) To the extent permitted by ~~Paragraph (3) of this Subsection~~
19 **Subparagraph (c) of this Paragraph** and after allocation to the amortization bases
20 as provided in R.S. ~~11:102(B)(3)(d)(v)(bb) and 102.1, as applicable~~ **11:102.1**, an
21 amount not to exceed fifty percent of the remaining balance of the prior year's net
22 investment experience gain as determined by the system's actuary.

23 (b) To the extent permitted by ~~Paragraph (3) of this Subsection~~
24 **Subparagraph (c) of this Paragraph**, an amount not to exceed that portion of the
25 system's net investment income attributable to the balance in the experience account
26 during the prior year.

27 ~~(3)(a)(c)~~ In no event shall a credit be made to the account that would cause
28 the balance in the experience account to exceed the reserve necessary to grant:

29 (i) Two permanent benefit increases determined pursuant to Subsection ~~E~~ **D**
30 of this Section if the system is **at least** eighty percent funded ~~or greater~~.

1 (ii) One permanent benefit increase as determined pursuant to Subsection ~~€~~
 2 D of this Section if the system is less than eighty percent funded.

3 ~~(b)(d)~~ If the system is less than eighty percent funded and the account has
 4 reserves in excess of the amounts provided for in Item ~~(a)(ii)~~ (c)(ii) of this Paragraph,
 5 it shall not apply credits to the account pursuant to Subparagraph ~~(2)(b)~~ of this
 6 Subsection no amount shall be credited to the account.

7 ~~B(3)~~ The experience account shall be debited as follows:

8 ~~(1)(a)~~ An amount equal to that portion of the system's net investment loss
 9 attributable to the balance in the experience account during the prior year.

10 ~~(2)(b)~~ An amount sufficient to fund a permanent benefit increase granted
 11 pursuant to Subsection ~~€~~ the provisions of this Section.

12 ~~(3)(c)~~ In no event shall the amount in the experience account fall below zero.

13 C.~~(1)~~ In accordance with the provisions of this Section, the board of trustees
 14 may recommend to the president of the Senate and the speaker of the House of
 15 Representatives that the system be permitted to grant a permanent benefit increase
 16 to retirees, survivors, and beneficiaries whenever the conditions in this Section are
 17 satisfied ~~and the balance in the experience account is sufficient to fund such benefit~~
 18 ~~fully on an actuarial basis, as determined by the system's actuary. If the legislative~~
 19 ~~auditor's actuary disagrees with the determination of the system's actuary, a~~
 20 ~~permanent benefit increase shall not be granted.~~ The board of trustees shall not grant
 21 a permanent benefit increase unless such permanent benefit increase has been
 22 approved by the legislature. ~~Any such permanent benefit increase granted on or~~
 23 ~~before June 30, 2015, shall be limited to and shall only be payable based on an~~
 24 ~~amount not to exceed seventy thousand dollars of the retiree's annual benefit. Any~~
 25 ~~such permanent benefit increase granted on or after July 1, 2015, shall be limited to~~
 26 ~~and shall only be payable based on an amount not to exceed sixty thousand dollars~~
 27 ~~of the retiree's annual benefit. Effective for years after July 1, 1999, and on or before~~
 28 ~~June 30, 2015, the seventy-thousand dollar limit shall be increased each year in an~~
 29 ~~amount equal to any increase in the consumer price index (U.S. city average for all~~
 30 ~~urban consumers (CPI-U)) for the preceding year, if any. Effective on or after July~~

1 ~~1, 2015, the sixty-thousand dollar limit shall be increased each year in an amount~~
 2 ~~equal to any increase in the consumer price index, (U.S. city average for all urban~~
 3 ~~consumers (CPI-U)) for the twelve-month period ending on the system's valuation~~
 4 ~~date, if any.~~

5 **D.(1) No increase shall be granted if one or more of the following apply:**

6 **(a) The system is less than fifty-five percent funded.**

7 **(b) The system is at least fifty-five percent funded but less than**
 8 **eighty-five percent funded and the legislature granted a benefit increase in the**
 9 **preceding fiscal year.**

10 **(c) The system is less than eighty percent funded and the system fails to**
 11 **earn an actuarial rate of return which exceeds the board-approved actuarial**
 12 **valuation rate.**

13 **(2) Any increase granted pursuant to the provisions of this Section shall begin**
 14 **on the July first following legislative approval, shall be payable annually, and shall**
 15 **equal the amount required pursuant to Subparagraph (a) or (b) of this**
 16 **Paragraph. If the balance in the experience account is not sufficient to fully**
 17 **fund that sum on an actuarial basis as determined by the system actuary in**
 18 **agreement with the legislative auditor's actuary, no increase shall be granted.**

19 **The increase shall** be an amount equal to the lesser of:

20 (a) ~~An amount as determined in Paragraph (2) of this Subsection.~~

21 (b) The increase in the consumer price index, U.S. city average for all urban
 22 consumers (CPI-U), as prepared by the U.S. Department of Labor, Bureau of Labor
 23 Statistics, for the twelve-month period ending on the system's valuation date if any.
 24 ~~If the balance in the experience account is not sufficient to fund that sum, no increase~~
 25 ~~shall be granted.~~

26 ~~(2)(a)(b)(i)~~ **Three percent, if** the system is **at least** eighty percent funded
 27 ~~or greater, three percent~~ **and the system earns an actuarial rate of return of at**
 28 **least eight and one-quarter percent interest on the investment of the system's**
 29 **assets.**

30 **(ii) Two and one-half percent if all of the following apply:**

1 ~~(b)(aa)~~ If the The system is at least seventy-five percent funded but less than
 2 eighty percent funded ~~and the~~.

3 **(bb) The system earns an actuarial rate of return of at least eight and**
 4 **one-quarter percent interest on the investment of the system's assets.**

5 **(cc) The** legislature has not granted a benefit increase in the preceding fiscal
 6 year, ~~two and one-half percent.~~

7 ~~(e)(iii)~~ If the Two percent, if either of the following applies:

8 **(aa) The** system is at least sixty-five percent funded but less than
 9 seventy-five percent funded and the legislature has not granted a benefit increase in
 10 the preceding fiscal year, ~~two percent.~~

11 **(bb) The system is at least seventy-five percent funded and the system**
 12 **does not earn an actuarial rate of return of at least eight and one-quarter**
 13 **percent interest on the investment of the system's assets.**

14 ~~(d)(iv)~~ If One and one-half percent if the system is at least fifty-five percent
 15 funded but less than sixty-five percent funded and the legislature has not granted a
 16 benefit increase in the preceding fiscal year, ~~one and one-half percent.~~

17 ~~(e)~~ If the system is less than fifty-five percent funded or if the system is less
 18 than eighty-five percent funded but more than fifty-five percent funded and the
 19 legislature granted a benefit increase in the preceding fiscal year, ~~no increase shall~~
 20 ~~be granted.~~

21 (3) Subject to the limitations contained in Paragraph (1) of this Subsection,
 22 The percentage of each recipient's permanent benefit increase shall be based on the
 23 benefit being paid to the recipient on the effective date of the ~~increase.~~ increase;
 24 however, any such permanent benefit increase granted on or before June 30,
 25 2015, shall be limited to and shall be payable based only on an amount not to
 26 exceed seventy thousand dollars of the retiree's annual benefit. Additionally,
 27 any such permanent benefit increase granted on or after July 1, 2015, shall be
 28 limited to and shall be payable based only on an amount not to exceed sixty
 29 thousand dollars of the retiree's annual benefit. Effective for years after July 1,
 30 1999, and on or before June 30, 2015, the seventy-thousand-dollar limit shall be

1 increased each year in an amount equal to any increase in the CPI-U for the
2 preceding year. Effective on or after July 1, 2015, the sixty-thousand-dollar
3 limit shall be increased each year in an amount equal to any increase in the CPI-
4 U for the twelve-month period ending on the system's valuation date.

5 (4)(a) Notwithstanding any provision of this Section to the contrary, in
6 a year in which the experience account balance is insufficient to fund the
7 amount required pursuant to Paragraph (2) of this Subsection, the board may
8 make the recommendation provided in Subsection C of this Section if all of the
9 following conditions are satisfied:

10 (i) No benefit increase was granted in the preceding fiscal year.

11 (ii) The experience account balance established in the system valuation
12 for the preceding fiscal year reached its maximum reserve permitted pursuant
13 to Subparagraph (B)(2)(c) of this Section applicable to the system valuation for
14 that valuation year.

15 (iii) The experience account balance established in the system valuation
16 for the current fiscal year is insufficient to fund the increase permitted pursuant
17 to Paragraph (2) of this Subsection applicable to the system valuation for the
18 preceding fiscal year.

19 (iv) All of the insufficiency in the account is attributable to the following:

20 (aa) The growth of the cost of the increase, but only if that growth was
21 produced solely by either or both of these events:

22 (I) Changes in the pool of the eligible recipients.

23 (II) The growth in the benefit amount to which the increase applies due
24 to the application of the CPI-U pursuant to the provisions of Paragraph (3) of
25 this Subsection.

26 (bb) The insufficiency of credits to the account, if any, to cover the
27 growth in the cost of the increase.

28 (b) The amount of the increase shall be equal to the amount that the
29 balance in the experience account will fully fund rounded to the nearest lower
30 one-tenth of one percent.

1 ~~(4)(a)~~E. (1)(a) Except as provided in Subparagraph (c) of this Paragraph, in
 2 order to be eligible for any permanent benefit increase payable on or before June 30,
 3 2009, there must be the funds available in the experience account to pay for such an
 4 increase, and a retiree:

5 (i) Shall have received a benefit for at least one year;~~and.~~

6 (ii) Shall have attained at least age fifty-five.

7 (b) Except as provided in Subparagraph (c) of this Paragraph, a nonretiree
 8 beneficiary shall be eligible for the permanent benefit increase payable on or before
 9 June 30, 2009:

10 (i) If benefits had been paid to the retiree or the beneficiary, or both
 11 combined, for at least one year;~~and.~~

12 (ii) In no event before the retiree would have attained age fifty-five.

13 (c)~~(i)~~ The provisions of Items ~~(a)(ii), (b)(ii), (d)(ii), and (e)(ii)~~(a)(ii) and
 14 (b)(ii) of this Paragraph shall not apply to any person who receives disability benefits
 15 from this system, or who receives benefits based on the death of a disability retiree
 16 of this system.

17 ~~(ii) The actuarial cost of implementing the provisions of Acts 2001, No.~~
 18 ~~1162, shall be paid by debiting the experience account which must have the funds~~
 19 ~~available in the experience account to pay for such an increase.~~

20 ~~(d)~~(2)(a) Except as provided in Subparagraph (c) of this Paragraph, in order
 21 to be eligible for any permanent benefit increase payable on or after July 1, 2009,
 22 there shall be the funds available in the experience account to pay for such an
 23 increase, and a retiree:

24 (i) Shall have received a benefit for at least one year;~~and.~~

25 (ii) Shall have attained at least age sixty.

26 ~~(e)~~(b) Except as provided in Subparagraph (c) of this Paragraph, a nonretiree
 27 beneficiary shall be eligible for the permanent benefit increase payable on or after
 28 July 1, 2009:

29 (i) If benefits had been paid to the retiree or the beneficiary, or both
 30 combined, for at least one year;~~and.~~

1 (ii) In no event before the retiree would have attained age sixty.

2 **(c) The provisions of Items (a)(ii) and (b)(ii) of this Paragraph shall not**
 3 **apply to any person who receives disability benefits from this system, or who**
 4 **receives benefits based on the death of a disability retiree of this system.**

5 ~~(5)(a)~~ **F.(1) The first normal permanent benefit increase shall be effective**
 6 **July 1, 1999.**

7 **(2) The actuarial cost of implementing the provisions of Act 1162 of the**
 8 **2001 Regular Session of the Legislature shall be paid by debiting the experience**
 9 **account which shall have the funds available in the experience account to pay**
 10 **for such an increase.**

11 **(3)** Effective September 1, 2001, any retiree receiving a retirement benefit
 12 shall be entitled to receive, as a permanent benefit increase, a minimum retirement
 13 benefit amounting to not less than thirty dollars per month for each year of creditable
 14 service of the retiree or the maximum benefit earned in accordance with the
 15 applicable benefit formula selected by the retiree at the time of retirement, whichever
 16 is greater.

17 ~~(i)(a)~~ For any retiree who selected or selects an early retirement, an initial
 18 benefit option, or a retirement option allowing the payment of benefits to a
 19 beneficiary, there shall be a comparison of both the minimum benefit provided for
 20 in this Paragraph and the maximum benefit and both such benefits shall be
 21 actuarially reduced based upon the option selected by the retiree and the current
 22 board-approved actuarial assumptions prior to the comparison and for the purpose
 23 of determining which of the two benefit amounts results in the greater amount and
 24 the greater amount shall be paid to the retiree.

25 ~~(ii)(b)~~ In order for the minimum benefit provided for in this Paragraph to be
 26 compared to the annuity being paid to a retiree's named beneficiary, the minimum
 27 benefit shall be reduced based on the option in effect and the current board-approved
 28 actuarial assumptions. After reducing the minimum benefit provided for in this ~~Item~~
 29 **Subparagraph**, the reduced minimum benefit shall be compared to the beneficiary's
 30 annuity, and the beneficiary shall be paid the greater of the beneficiary's reduced

1 minimum benefit or the amount of the beneficiary's annuity being paid at the time
 2 of the comparison.

3 ~~(b)(c)~~ The minimum benefits provided for in this Paragraph shall apply to all
 4 retired members and beneficiaries receiving annuity payments or benefits on
 5 September 1, 2001, and to all members retiring on and after September 1, 2001, and
 6 to all beneficiaries receiving annuity payments on and after September 1, 2001, and
 7 all such payments shall be funded by debiting the experience account.

8 * * *

9 §883.1. Experience account

10 A.(1)~~(a)~~ Effective July 1, 2004, the balance in the experience account shall
 11 be zero.

12 ~~(b)(2)~~ Effective June 30, 2009, the balance in the experience account shall be
 13 zero. Any funds in the account on June 29, 2009, shall be allocated in the following
 14 order:

15 ~~(i)(a)~~ To provide for any net investment loss attributable to the balance in the
 16 account as provided in Paragraph ~~(B)(1)~~ **Subparagraph (B)(3)(a)** of this Section.

17 ~~(ii)(b)~~ To fund any permanent benefit increase or minimum benefit pursuant
 18 to the Act that originated as House Bill No. 586 Act 144 of the 2009 Regular Session
 19 of the Legislature.

20 ~~(iii)(c)~~ To apply to the experience account amortization base as provided in
 21 R.S. 11:102.2(C)(2); however, as of June 30, 2009, these funds shall be transferred
 22 to the system's Texaco Account and retained in a subaccount of that account until
 23 that account is applied as provided in R.S. 11:102.2. The subaccount shall continue
 24 to be credited and debited as provided in Subparagraph ~~(A)(2)(b)~~ and Paragraph
 25 ~~(B)(1)~~ of this Section until such application.

26 **B.(1) Effective for the June 30, 2015 valuation, the system's funded**
 27 **percentage for purposes of this Section shall be determined before any**
 28 **allocation to the experience account.**

29 (2) The experience account shall be credited as follows:

30 (a) To the extent permitted by **Subparagraph (c) of this** Paragraph ~~(3)~~ of this

1 ~~Subsection~~ and after allocation to the amortization bases as provided in R.S.
 2 ~~11:102(B)(3)(d)(vii)(bb) and 102.2, as applicable~~ **11:102.2**, an amount not to exceed
 3 fifty percent of the remaining balance of the prior year's net investment experience
 4 gain as determined by the system's actuary.

5 (b) To the extent permitted by **Subparagraph (c) of this** Paragraph ~~(3)~~ of
 6 ~~this Subsection~~, an amount not to exceed that portion of the system's net investment
 7 income attributable to the balance in the experience account during the prior year.

8 ~~(3)(a)(c)~~ In no event shall a credit be made to the account that would cause
 9 the balance in the experience account to exceed the reserve necessary to grant ~~either~~
 10 ~~of the following:~~

11 (i) Two permanent benefit increases determined pursuant to Subsection ~~C~~ **D**
 12 of this Section if the system is **at least** eighty percent funded ~~or greater~~.

13 (ii) One permanent benefit increase as determined pursuant to Subsection ~~C~~
 14 **D** of this Section if the system is less than eighty percent funded.

15 ~~(b)(d)~~ If the system is less than eighty percent funded and **the account** has
 16 reserves in excess of the amounts provided for in Item ~~(a)(ii)~~ **(c)(ii)** of this Paragraph,
 17 ~~it shall not apply credits to the account pursuant to Subparagraph (2)(b) of this~~
 18 Subsection **no amount shall be credited to the account**.

19 ~~B(3)~~ The experience account shall be debited as follows:

20 ~~(1)(a)~~ An amount equal to that portion of the system's net investment loss
 21 attributable to the balance in the experience account during the prior year.

22 ~~(2)(b)~~ An amount sufficient to fund a permanent benefit increase granted
 23 pursuant to ~~Subsection C~~ **the provisions** of this Section.

24 ~~(3)(c)~~ In no event shall the amount in the experience account fall below zero.

25 C.~~(1)~~ In accordance with the provisions of this Section, the board of trustees
 26 may recommend to the president of the Senate and the speaker of the House of
 27 Representatives that the system be permitted to grant a permanent benefit increase
 28 to retirees and beneficiaries whenever the conditions in this Section are satisfied ~~and~~
 29 ~~the balance in the experience account is sufficient to fund such benefit fully on an~~
 30 ~~actuarial basis, as determined by the system's actuary. If the legislative auditor's~~

1 ~~actuary disagrees with the determination of the system's actuary, a permanent benefit~~
 2 ~~increase shall not be granted.~~ The board of trustees shall not grant a permanent
 3 benefit increase unless such permanent benefit increase has been approved by the
 4 legislature.

5 **D.(1) No increase shall be granted if one or more of the following apply:**

6 **(a) The system is less than fifty-five percent funded.**

7 **(b) The system is at least fifty-five percent funded but less than**
 8 **eighty-five percent funded and the legislature granted a benefit increase in the**
 9 **preceding fiscal year.**

10 **(c) The system is less than eighty percent funded and the system fails to**
 11 **earn an actuarial rate of return which exceeds the board-approved actuarial**
 12 **valuation rate.**

13 **(2) Any increase granted pursuant to the provisions of this Section shall begin**
 14 **on the July first following legislative approval, shall be payable annually, and shall**
 15 **equal the amount required pursuant to Subparagraph (a) or (b) of this**
 16 **Paragraph. If the balance in the experience account is not sufficient to fully**
 17 **fund that sum on an actuarial basis as determined by the system actuary in**
 18 **agreement with the legislative auditor's actuary, no increase shall be granted.**

19 **The increase shall** be an amount equal to the lesser of:

20 (a) ~~An amount as determined in Paragraph (2) of this Subsection.~~

21 (b) The increase in the consumer price index, U.S. city average for all urban
 22 consumers (CPI-U), as prepared by the U.S. Department of Labor, Bureau of Labor
 23 Statistics, for the twelve-month period ending on the system's valuation date, if any.
 24 ~~If the balance in the experience account is not sufficient to fund that sum, no increase~~
 25 ~~shall be granted.~~

26 ~~(2)(a)~~**(b)(i) If Three percent if** the system is **at least** eighty percent funded
 27 ~~or greater, three percent~~ **and the system earns an actuarial rate of return of at**
 28 **least eight and one-quarter percent interest on the investment of the system's**
 29 **assets.**

30 ~~(b)(ii)~~ **If the Two and one-half percent, if all of the following apply:**

1 (aa) The system is at least seventy-five percent funded but less than eighty
 2 percent funded ~~and the.~~

3 (bb) The system earns an actuarial rate of return of at least eight and
 4 one-quarter percent interest on the investment of the system's assets.

5 (cc) The legislature has not granted a benefit increase in the preceding fiscal
 6 year, ~~two and one-half percent.~~

7 ~~(e)(iii)~~ If the Two percent, if either of the following applies:

8 (aa) The system is at least sixty-five percent funded but less than
 9 seventy-five percent funded and the legislature has not granted a benefit increase in
 10 the preceding fiscal year, two percent.

11 (bb) The system is at least seventy-five percent funded and the system
 12 does not earn an actuarial rate of return of at least eight and one-quarter
 13 percent interest on the investment of the system's assets.

14 ~~(d)(iv)~~ If One and one-half percent, if the system is at least fifty-five
 15 percent funded but less than sixty-five percent funded and the legislature has not
 16 granted a benefit increase in the preceding fiscal year, ~~one and one-half percent.~~

17 ~~(e) If the system is less than fifty-five percent funded or if the system is less~~
 18 ~~than eighty-five percent funded but more than fifty-five percent funded and the~~
 19 ~~legislature granted a benefit increase in the preceding fiscal year, no increase shall~~
 20 ~~be granted.~~

21 ~~(3) Subject to the limitations contained in Subsection F of this Section, the~~
 22 The percentage of each recipient's permanent benefit increase shall be based on the
 23 benefit being paid to the recipient on the effective date of the increase.

24 (a) Any such permanent benefit increase granted on or before June 30,
 25 2015, shall be limited to and shall be payable based only on an amount not to
 26 exceed seventy thousand dollars of the retiree's annual benefit. The
 27 seventy-thousand-dollar limit shall be increased each year in an amount equal
 28 to any increase in the CPI-U for the preceding year.

29 (b) Any such permanent benefit increase granted on or after July 1,
 30 2015, shall be limited to and shall be payable based only on an amount not to

1 exceed sixty thousand dollars of the retiree's annual benefit. Effective on or
 2 after July 1, 2015, the sixty-thousand-dollar limit shall be increased each year
 3 in an amount equal to any increase in the CPI-U for the twelve-month period
 4 ending on the system's valuation date.

5 (4)(a) Notwithstanding any provision of this Section to the contrary, in
 6 a year in which the experience account balance is insufficient to fund the
 7 amount required pursuant to Paragraph (2) of this Subsection, the board may
 8 make the recommendation provided in Subsection C of this Section if all of the
 9 following conditions are satisfied:

10 (i) No benefit increase was granted in the preceding fiscal year.

11 (ii) The experience account balance established in the system valuation
 12 for the preceding fiscal year reached its maximum reserve permitted pursuant
 13 to Subparagraph (B)(2)(c) of this Section applicable to the system valuation for
 14 that valuation year.

15 (iii) The experience account balance established in the system valuation
 16 for the current fiscal year is insufficient to fund the increase permitted pursuant
 17 to Paragraph (2) of this Subsection applicable to the system valuation for the
 18 preceding fiscal year.

19 (iv) All of the insufficiency in the account is attributable to the following:

20 (aa) The growth of the cost of the increase, but only if that growth was
 21 produced solely by either or both of these events:

22 (I) Changes in the pool of the eligible recipients.

23 (II) The growth in the benefit amount to which the increase applies due
 24 to the application of the CPI-U pursuant to the provisions of Paragraph (3) of
 25 this Subsection.

26 (bb) The insufficiency of credits to the account, if any, to cover the
 27 growth in the cost of the increase.

28 (b) The amount of the increase shall be equal to the amount that the
 29 balance in the experience account will fully fund rounded to the nearest lower
 30 one-tenth of one percent.

1 ~~(4)(a)~~ **E.(1)(a)** Except as provided in Subparagraph (c) of this Paragraph, in
 2 order to be eligible for any permanent benefit increase payable on or before June 30,
 3 2009, there must be the funds available in the experience account to pay for such an
 4 increase, and a retiree:

5 (i) Shall have received a benefit for at least one year; ~~and.~~

6 (ii) Shall have attained at least age fifty-five.

7 (b) Except as provided in Subparagraph (c) of this Paragraph, a nonretiree
 8 beneficiary shall be eligible for the permanent benefit increase payable on or before
 9 June 30, 2009:

10 (i) If benefits had been paid to the retiree or the beneficiary, or both
 11 combined, for at least one year; ~~and.~~

12 (ii) In no event before the retiree would have attained age fifty-five.

13 ~~(c)(i)~~ **(a)(ii) and**
 14 **(b)(ii)** of this Paragraph shall not apply to any person who receives disability benefits
 15 from this system, or who receives benefits based on the death of a disability retiree
 16 of this system.

17 ~~(ii) The actuarial cost of implementing the provisions of Acts 2001, No.~~
 18 ~~1162, shall be paid by debiting the experience account which must have the funds~~
 19 ~~available in the experience account to pay for such an increase.~~

20 ~~(d)(2)(a)~~ **(2)(a)** Except as provided in Subparagraph (c) of this Paragraph, in order
 21 to be eligible for any permanent benefit increase payable on or after July 1, 2009,
 22 there shall be the funds available in the experience account to pay for such an
 23 increase, and a retiree:

24 (i) Shall have received a benefit for at least one year; ~~and.~~

25 (ii) Shall have attained at least age sixty.

26 ~~(e)(b)~~ **(b)** Except as provided in Subparagraph (c) of this Paragraph, a nonretiree
 27 beneficiary shall be eligible for the permanent benefit increase payable on or after
 28 July 1, 2009:

29 (i) If benefits had been paid to the retiree or the beneficiary, or both
 30 combined, for at least one year; ~~and.~~

1 (ii) In no event before the retiree would have attained age sixty.

2 **(c) The provisions of Items (a)(ii) and (b)(ii) of this Paragraph shall not**
3 **apply to any person who receives disability benefits from this system, or who**
4 **receives benefits based on the death of a disability retiree of this system.**

5 **F.(1) The first normal permanent benefit increase shall be effective July**
6 **1, 1999.**

7 **(2) The actuarial cost of implementing the provisions of Act 1162 of the**
8 **2001 Regular Session of the Legislature shall be paid by debiting the experience**
9 **account which shall have the funds available in the experience account to pay**
10 **for such an increase.**

11 ~~(5)(a)~~**(3)** On December 1, 2001, the board of trustees shall grant a one-time
12 cost-of-living adjustment to:

13 ~~(i)(a)~~ Each retiree who had twenty-five years of service credit, exclusive of
14 unused leave, or a disability retiree regardless of the number of years of service
15 credit, and had been receiving a benefit for at least fifteen years on December 1,
16 2001; ~~and,~~

17 ~~(ii)(b)~~ Each nonretiree beneficiary receiving a benefit on December 1, 2001,
18 if the deceased member had twenty-five years of service credit exclusive of unused
19 leave, or was a disability retiree regardless of the number of years of service credit,
20 and the retiree and nonretiree beneficiary, or both combined, had received a benefit
21 for at least fifteen years.

22 ~~(b)(c)~~ The one-time adjustment payable to each recipient shall equal an
23 amount up to but not exceeding two hundred dollars a month, but the total monthly
24 benefit of any such recipient resulting from this adjustment shall not exceed one
25 thousand dollars.

26 * * *

27 §927. Contributions

28 * * *

29 B. * * *

30 (2)(a) Beginning July 1, 2014, and continuing through ~~fiscal year~~ **Fiscal Year**

1 2017-2018, each higher education board created by Article VIII of the Constitution
2 of Louisiana and each employer institution and agency under its supervision and
3 control shall contribute to the Teachers' Retirement System of Louisiana on behalf
4 of each participant in the optional retirement plan the sum of:

5 (i) The amounts calculated pursuant to R.S. ~~11:102(D)(4)(b)~~,
6 **11:102(D)(6)(b)**, (c), and (d).

7 * * *

8 (b) Beginning July 1, 2018, each higher education board created by Article
9 VIII of the Constitution of Louisiana and each employer institution and agency under
10 its supervision and control shall contribute to the Teachers' Retirement System of
11 Louisiana on behalf of each participant in the optional retirement plan the sum of:

12 (i) The amounts calculated pursuant to R.S. ~~11:102(D)(4)(b)~~,
13 **11:102(D)(6)(b)**, (c), and (d).

14 * * *

15 (3)(a) Beginning July 1, 2014, for ~~all employers~~ **each employer** that ~~are~~ **is**
16 not a higher education board created by Article VIII of the Constitution of Louisiana
17 or an employer institution under the supervision and control of such a board, each
18 such employer institution and board shall contribute to the Teachers' Retirement
19 System of Louisiana on behalf of each participant in the optional retirement plan the
20 greater of:

21 (i) The amount it would have contributed if the participant were a member
22 of the regular retirement plan of the Teachers' Retirement System of Louisiana
23 pursuant to R.S. ~~11:102(D)(1)~~ **11:102(D)(3)**.

24 (ii) The sum of the amounts calculated pursuant to R.S. ~~11:102(D)(4)(b)~~,
25 **11:102(D)(6)(b)**, (c), and (d) plus six and two-tenths percent of pay.

26 * * *

27 §1145.1. ~~Employee Experience Account~~ **Experience account**

28 A.(1) The ~~Employee Experience Account~~ **experience account** shall be
29 credited as follows:

30 (a) To the extent permitted by **Subparagraph (c) of this** Paragraph ~~(2)~~ of this

1 Subsection and after allocation to the amortization bases as provided in R.S.
 2 ~~11:102(B)(3)(d)(vi)(bb)~~ **11:102.3**, an amount not to exceed fifty percent of the
 3 remaining balance of the prior year's net investment experience gain as determined
 4 by the system's actuary.

5 (b) To the extent permitted by Subparagraph (c) of this Paragraph ~~(2)~~ of
 6 ~~this Subsection~~, an amount not to exceed that portion of the system's net investment
 7 income attributable to the balance in the ~~Employee Experience Account~~ experience
 8 account during the prior year.

9 ~~(2)(a)(c)~~ In no event shall a credit be made to the account that would cause
 10 the balance in the ~~Employee Experience Account~~ experience account to exceed the
 11 reserve necessary to grant:

12 (i) Two ~~cost-of-living adjustments~~ permanent benefit increases determined
 13 pursuant to Subsection C of this Section if the system is at least eighty percent
 14 funded ~~or greater~~.

15 (ii) One permanent benefit increase as determined pursuant to Subsection C
 16 of this Section if the system is less than eighty percent funded.

17 ~~(b)(d)~~ If the system is less than eighty percent funded and the account has
 18 reserves in excess of the amounts provided for in Item ~~(a)(ii)~~ (c)(ii) of this Paragraph,
 19 ~~it shall not apply credits to the account pursuant to Subparagraph (1)(b) of this~~
 20 ~~Subsection~~ no amount shall be credited to the account.

21 ~~B.(2)~~ The ~~Employee Experience Account~~ experience account shall be
 22 debited as follows:

23 ~~(1)(a)~~ An amount equal to that portion of the system's net investment loss
 24 attributable to the balance in the ~~Employee Experience Account~~ experience account
 25 during the prior year.

26 ~~(2)(b)~~ An amount sufficient to fund a ~~cost-of-living adjustment~~ permanent
 27 benefit increase granted pursuant to ~~Subsection C~~ the provisions of this Section.

28 ~~(3)(c)~~ In no event shall the amount in the ~~Employee Experience Account~~
 29 experience account fall below zero.

30 (3) Effective for the June 30, 2015 valuation, the system's funded

1 percentage for purposes of this Section shall be determined before any
 2 allocation to the experience account.

3 ~~C.(1)~~B. In accordance with the provisions of this Section, the board of
 4 trustees may recommend to the president of the Senate and the speaker of the House
 5 of Representatives that the system be permitted to grant a cost-of-living adjustment
 6 permanent benefit increase to retirees and beneficiaries whenever the conditions
 7 in this Section are satisfied ~~and the balance in the Employee Experience Account is~~
 8 ~~sufficient to fully fund such benefit on an actuarial basis, as determined by the~~
 9 ~~system's actuary. If the legislative actuary disagrees with the determination of the~~
 10 ~~system's actuary, a cost-of-living adjustment shall not be granted. The board of~~
 11 trustees shall not grant a cost-of-living adjustment permanent benefit increase
 12 unless such ~~cost-of-living adjustment~~ permanent benefit increase has been
 13 approved by the legislature. ~~Any such cost-of-living adjustment granted on or before~~
 14 ~~June 30, 2015, shall be limited to and shall only be payable based on an amount not~~
 15 ~~to exceed eighty-five thousand dollars of the retiree's annual benefit. Any such cost-~~
 16 ~~of-living adjustment granted on or after July 1, 2015, shall be limited to and shall~~
 17 ~~only be payable based on an amount not to exceed sixty thousand dollars of the~~
 18 ~~retiree's annual benefit. Effective for years after July 1, 2007, and on or before June~~
 19 ~~30, 2015, the eighty-five thousand dollar limit shall be increased each year in an~~
 20 ~~amount equal to the increase in the Consumer Price Index (United States city average~~
 21 ~~for all urban consumers (CPI-U)), as prepared by the United States Department of~~
 22 ~~Labor, Bureau of Labor Statistics, for the preceding calendar year, if any. Effective~~
 23 ~~on or after July 1, 2015, the sixty-thousand dollar limit shall be increased each year~~
 24 ~~in an amount equal to any increase in the consumer price index (U.S. city average~~
 25 ~~for all urban consumers (CPI-U)) for the twelve-month period ending on the system's~~
 26 ~~valuation date, if any.~~

27 C.(1) No increase shall be granted if either of the following applies:

28 (a) The system is less than fifty-five percent funded.

29 (b) The system is at least fifty-five percent funded but less than
 30 eighty-five percent funded and the legislature granted a benefit increase in the

1 preceding fiscal year.

2 ~~(2)~~ Any cost-of-living adjustment increase granted pursuant to the provisions
 3 of this Section shall begin on the July first following legislative approval, shall be
 4 payable annually, and shall equal the amount required pursuant to Subparagraph
 5 (a) or (b) of this Paragraph. If the balance in the experience account is not
 6 sufficient to fully fund that sum on an actuarial basis as determined by the
 7 system actuary in agreement with the legislative auditor's actuary, no increase
 8 shall be granted. The increase shall be an amount equal to the lesser of:

9 (a) ~~An amount as determined in Paragraph (2) of this Subsection.~~

10 (b) ~~The increase in the Consumer Price Index (United States city average for~~
 11 ~~all urban consumers (CPI-U))~~ consumer price index, U.S. city average for all
 12 urban consumers (CPI-U), as prepared by the United States Department of Labor,
 13 Bureau of Labor Statistics, for the twelve-month period ending on the system's
 14 valuation date, if any. ~~If the balance in the experience account is not sufficient to~~
 15 ~~fund that sum, no increase shall be granted.~~

16 ~~(2)(a)(b)(i)~~ If Three percent if the system is at least eighty percent funded
 17 ~~or greater, three percent~~ and the system earns an actuarial rate of return of at
 18 least seven and one-quarter percent interest on the investment of the system's
 19 assets.

20 ~~(b)(ii)~~ If the Two and one-half percent, if all the following apply:

21 (aa) The system is at least seventy-five percent funded but less than eighty
 22 percent funded and the system earns an actuarial rate of return of at least seven
 23 and one-quarter percent interest on the investment of the system's assets.

24 (bb) The legislature has not granted a benefit increase in the preceding fiscal
 25 year, ~~two and one-half percent.~~

26 ~~(c)(iii)~~ If the Two percent, if either of the following applies:

27 (aa) The system is at least sixty-five percent funded but less than
 28 seventy-five percent funded and the legislature has not granted a benefit increase in
 29 the preceding fiscal year, ~~two percent.~~

30 (bb) The system is at least seventy-five percent funded and the system

1 does not earn an actuarial rate of return of at least seven and one-quarter
 2 percent interest on the investment of the system's assets.

3 ~~(d)(iv)~~ If **One and one-half percent, if** the system is at least fifty-five
 4 percent funded but less than sixty-five percent funded and the legislature has not
 5 granted a benefit increase in the preceding fiscal year, ~~one and one-half percent.~~

6 ~~(e) If the system is less than fifty-five percent funded or if the system is less~~
 7 ~~than eighty-five percent funded but more than fifty-five percent funded and the~~
 8 ~~legislature granted a benefit increase in the preceding fiscal year, no increase shall~~
 9 ~~be granted.~~

10 (3) ~~Subject to the limitations contained in Paragraph (1) of this Subsection,~~
 11 ~~the~~ The percentage of each recipient's cost-of-living adjustment **permanent benefit**
 12 increase shall be based on the benefit being paid to the recipient on the effective date
 13 of the increase. **increase; however, any such permanent benefit increase granted**
 14 on or before June 30, 2015, shall be limited to and shall be payable based only
 15 on an amount not to exceed eighty-five thousand dollars of the retiree's annual
 16 benefit. Additionally, any such permanent benefit increase granted on or after
 17 July 1, 2015, shall be limited to and shall be payable based only on an amount
 18 not to exceed sixty thousand dollars of the retiree's annual benefit. Effective for
 19 years after July 1, 2007, and on or before June 30, 2015, the eighty-five-
 20 thousand-dollar limit shall be increased each year in an amount equal to any
 21 increase in the CPI-U for the preceding year. Effective on or after July 1, 2015,
 22 the sixty-thousand-dollar limit shall be increased each year in an amount equal
 23 to any increase in the CPI-U for the twelve-month period ending on the system's
 24 valuation date.

25 (4)(a) Notwithstanding any provision of this Section to the contrary, in
 26 a year in which the experience account balance is insufficient to fund the
 27 amount required pursuant to Paragraph (2) of this Subsection, the board may
 28 make the recommendation provided in Subsection B of this Section if all of the
 29 following conditions are satisfied:

30 (i) No benefit increase was granted in the preceding fiscal year.

1 (ii) The experience account balance established in the system valuation
 2 for the preceding fiscal year reached its maximum reserve permitted pursuant
 3 to Subparagraph (A)(1)(c) of this Section applicable to the system valuation for
 4 that valuation year.

5 (iii) The experience account balance established in the system valuation
 6 for the current fiscal year is insufficient to fund the increase permitted pursuant
 7 to Paragraph (2) of this Subsection applicable to the system valuation for the
 8 preceding fiscal year.

9 (iv) All of the insufficiency in the account is attributable to the following:

10 (aa) The growth of the cost of the increase, but only if that growth was
 11 produced solely by either or both of these events:

12 (I) Changes in the pool of the eligible recipients.

13 (II) The growth in the benefit amount to which the increase applies due
 14 to the application of the CPI-U pursuant to the provisions of Paragraph (3) of
 15 this Subsection.

16 (bb) The insufficiency of credits to the account, if any, to cover the
 17 growth in the cost of the increase.

18 (b) The amount of the increase shall be equal to the amount that the
 19 balance in the experience account will fully fund rounded to the nearest lower
 20 one-tenth of one percent.

21 ~~(4)(a)D.(1)(a)~~ Except as provided in Subparagraph (c) of this Paragraph, in
 22 order to be eligible for the ~~cost-of-living adjustment~~ **permanent benefit increase**,
 23 there shall be the funds available in the ~~Employee Experience Account~~ **experience**
 24 **account** to pay for such an adjustment, and a retiree:

25 (i) Shall have received a benefit for at least one year; ~~and,~~

26 (ii) Shall have attained at least age sixty.

27 (b) Except as provided in Subparagraph (c) of this Paragraph, a ~~non-retiree~~
 28 **nonretiree** beneficiary shall be eligible for the ~~cost-of-living adjustment~~ **permanent**
 29 **benefit increase**:

30 (i) If benefits had been paid to the retiree, or the beneficiary, or both

1 combined, for at least one year; ~~and,~~

2 (ii) In no event before the retiree would have attained age sixty.

3 (c) The provisions of Items (a)(ii) and (b)(ii) of this Paragraph shall not apply
4 to any person who receives disability benefits from this system or who receives
5 benefits based on the death of a disability retiree of this system.

6 ~~D. The cost-of-living increase which is authorized by Subsection C of this
7 Section shall be limited to the lesser of either two percent or an amount determined
8 as provided in Subsection C of this Section in or for any year in which the system
9 does not earn an actuarial rate of return of at least seven and one-quarter percent
10 interest on the investment of the system's assets.~~

11 E. Effective July 1, 2007, the balance in the Employee Experience Account
12 experience account shall be zero.

13 * * *

14 §1332. ~~Employee Experience Account~~ Experience account

15 A.(1) The ~~Employee Experience Account~~ experience account shall be
16 credited as follows:

17 (a) To the extent permitted by Subparagraph (c) of this Paragraph ~~(2) of this~~
18 ~~Subsection~~ and after the allocation to the amortization bases as provided in R.S.
19 ~~11:102(B)(3)(d)(viii)(bb)~~ 11:102.4, an amount not to exceed fifty percent of the
20 remaining balance of the prior year's net investment experience gain as determined
21 by the system's actuary.

22 (b) To the extent permitted by Subparagraph (c) of this Paragraph ~~(2) of~~
23 ~~this Subsection~~, an amount not to exceed that portion of the system's net investment
24 income attributable to the balance in the ~~Employee Experience Account~~ experience
25 account during the prior year.

26 ~~(2)(a)(c)~~ In no event shall a credit be made to the account that would cause
27 the balance in the ~~Employee Experience Account~~ experience account to exceed the
28 reserve necessary to grant:

29 (i) Two ~~cost-of-living adjustments~~ permanent benefit increases as
30 determined pursuant to Subsection C of this Section if the system is at least eighty

1 percent funded ~~or greater~~.

2 (ii) One permanent benefit increase as determined pursuant to Subsection C
3 of this Section if the system is less than eighty percent funded.

4 ~~(b)(d)~~ If the system is less than eighty percent funded and the account has
5 reserves in excess of the amounts provided for in Item ~~(a)(ii)~~ (c)(ii) of this Paragraph,
6 it shall not apply credits to the account pursuant to Subparagraph ~~(1)(b)~~ of this
7 Subsection no amount shall be credited to the account.

8 ~~B.(2)~~ The Employee Experience Account experience account shall be
9 debited as follows:

10 ~~(1)(a)~~ An amount equal to that portion of the system's net investment loss
11 attributable to the balance in the Employee Experience Account experience account
12 during the prior year.

13 ~~(2)(b)~~ An amount sufficient to fund a ~~cost-of-living adjustment~~ permanent
14 benefit increase granted pursuant to ~~Subsection C or F~~ the provisions of this
15 Section.

16 ~~(3)(c)~~ In no event shall the amount in the Employee Experience Account
17 experience account fall below zero.

18 (3) Effective for the June 30, 2015 valuation, the system's funded
19 percentage for purposes of this Section shall be determined before any
20 allocation to the experience account.

21 ~~C.(1)B.~~ In accordance with the provisions of this Section, the board of
22 trustees may recommend to the president of the Senate and the speaker of the House
23 of Representatives that the system be permitted to grant a ~~cost-of-living adjustment~~
24 permanent benefit increase to retirees and beneficiaries whenever the conditions
25 in this Section are satisfied ~~and the balance in the Employee Experience Account is~~
26 ~~sufficient to fully fund such benefit on an actuarial basis, as determined by the~~
27 ~~system's actuary. If the legislative actuary disagrees with the determination of the~~
28 ~~system's actuary, a cost-of-living adjustment shall not be granted. The board of~~
29 trustees shall not grant a ~~cost-of-living adjustment~~ permanent benefit increase
30 unless such ~~cost-of-living adjustment~~ permanent benefit increase has been

1 approved by the legislature. Any such cost-of-living adjustment granted on or before
 2 June 30, 2015, shall be limited to and shall only be payable based on an amount not
 3 to exceed eighty-five thousand dollars of the retiree's annual benefit. Any such cost-
 4 of-living adjustment granted on or after July 1, 2015, shall be limited to and shall
 5 only be payable based on an amount not to exceed sixty thousand dollars of the
 6 retiree's annual benefit. Effective for years after July 1, 2007, and on or before June
 7 30, 2015, the eighty-five thousand dollar limit shall be increased each year in an
 8 amount equal to the increase in the consumer price index (United States city average
 9 for all urban consumers (CPI-U)), as prepared by the United States Department of
 10 Labor, Bureau of Labor Statistics, for the preceding calendar year, if any. Effective
 11 on or after July 1, 2015, the sixty-thousand dollar limit shall be increased each year
 12 in an amount equal to any increase in the consumer price index (U.S. city average
 13 for all urban consumers (CPI-U)) for the twelve-month period ending on the system's
 14 valuation date, if any.

15 **C.(1) No increase shall be granted if either of the following applies:**

16 **(a) The system is less than fifty-five percent funded.**

17 **(b) The system is at least fifty-five percent funded but less than**
 18 **eighty-five percent funded and the legislature granted a benefit increase in the**
 19 **preceding fiscal year.**

20 **(2)** Any adjustment **increase** granted pursuant to the provisions of this
 21 Section shall begin on **the** July first following legislative approval, shall be payable
 22 annually, and shall be an amount equal to the lesser of:

23 **(a)** An amount as determined in Paragraph (2) of this Subsection.

24 **(b)** The increase in the consumer price index, ~~(United States city average for~~
 25 ~~all urban consumers (CPI-U))~~ **U.S. city average for all urban consumers (CPI-U)**,
 26 as prepared by the United States Department of Labor, Bureau of Labor Statistics,
 27 for the twelve-month period ending on the system's valuation date, if any. ~~If the~~
 28 ~~balance in the experience account is not sufficient to fund that sum, no increase shall~~
 29 ~~be granted.~~

30 ~~(2)(a)~~**(b)(i)** If **Three percent, if** the system is **at least** eighty percent funded

1 or greater, three percent and the system earns an actuarial rate of return of at
 2 least seven percent interest on the investment of the system's assets.

3 ~~(b)~~(ii) If the Two and one-half percent, if all of the following apply:

4 (aa) The system is at least seventy-five percent funded but less than eighty
 5 percent funded and the system earns an actuarial rate of return of at least seven
 6 percent interest on the investment of the system's assets.

7 (bb) The legislature has not granted a benefit increase in the preceding fiscal
 8 year, two and one-half percent.

9 ~~(c)~~(iii) If the Two percent, if either of the following applies:

10 (aa) The system is at least sixty-five percent funded but less than
 11 seventy-five percent funded and the legislature has not granted a benefit increase in
 12 the preceding fiscal year, two percent.

13 (bb) The system is at least seventy-five percent funded and the system
 14 does not earn an actuarial rate of return of at least seven percent interest on the
 15 investment of the system's assets.

16 ~~(d)~~(iv) If One and one-half percent, if the system is at least fifty-five
 17 percent funded but less than sixty-five percent funded and the legislature has not
 18 granted a benefit increase in the preceding fiscal year, one and one-half percent.

19 ~~(e) If the system is less than fifty-five percent funded or if the system is less~~
 20 ~~than eighty-five percent funded but more than fifty-five percent funded and the~~
 21 ~~legislature granted a benefit increase in the preceding fiscal year, no increase shall~~
 22 ~~be granted.~~

23 (3) ~~Subject to the limitations contained in Paragraph (1) of this Subsection,~~
 24 ~~the~~ The percentage of each recipient's cost-of-living adjustment permanent benefit
 25 increase shall be based on the benefit being paid to the recipient on the effective date
 26 of the increase. increase; however, any such permanent benefit increase granted
 27 on or before June 30, 2015, shall be limited to and shall be payable based only
 28 on an amount not to exceed eighty-five thousand dollars of the retiree's annual
 29 benefit. Additionally, any such permanent benefit increase granted on or after
 30 July 1, 2015, shall be limited to and shall be payable based only on an amount

1 not to exceed sixty thousand dollars of the retiree's annual benefit. Effective for
2 years after July 1, 2007, and on or before June 30, 2015, the eighty-
3 five-thousand-dollar limit shall be increased each year in an amount equal to
4 any increase in the CPI-U for the preceding year. Effective on or after July 1,
5 2015, the sixty-thousand-dollar limit shall be increased each year in an amount
6 equal to any increase in the CPI-U for the twelve-month period ending on the
7 system's valuation date.

8 (4)(a) Notwithstanding any provision of this Section to the contrary, in
9 a year in which the experience account balance is insufficient to fund the
10 amount required pursuant to Paragraph (2) of this Subsection, the board may
11 make the recommendation provided in Subsection B of this Section if all of the
12 following conditions are satisfied:

13 (i) No benefit increase was granted in the preceding fiscal year.

14 (ii) The experience account balance established in the system valuation
15 for the preceding fiscal year reached its maximum reserve permitted pursuant
16 to Subparagraph (A)(1)(c) of this Section applicable to the system valuation for
17 that valuation year.

18 (iii) The experience account balance established in the system valuation
19 for the current fiscal year is insufficient to fund the increase permitted pursuant
20 to Paragraph (2) of this Subsection applicable to the system valuation for the
21 preceding fiscal year.

22 (iv) All of the insufficiency in the account is attributable to the following:

23 (aa) The growth of the cost of the increase, but only if that growth was
24 produced solely by either or both of these events:

25 (I) Changes in the pool of the eligible recipients.

26 (II) The growth in the benefit amount to which the increase applies due
27 to the application of the CPI-U pursuant to the provisions of Paragraph (3) of
28 this Subsection.

29 (bb) The insufficiency of credits to the account, if any, to cover the
30 growth in the cost of the increase.

1 **(b) The amount of the increase shall be equal to the amount that the**
 2 **balance in the experience account will fully fund rounded to the nearest lower**
 3 **one-tenth of one percent.**

4 ~~(4)(a)~~ **D.(1)(a)** Except as provided in Subparagraph (c) of this Paragraph, in
 5 order to be eligible for the ~~cost-of-living adjustment~~ **permanent benefit increase**,
 6 there shall be the funds available in the experience account to pay for such an
 7 adjustment, and a retiree:

8 (i) Shall have received a benefit for at least one year; ~~and.~~

9 (ii) Shall have attained at least age sixty.

10 (b) Except as provided in Subparagraph (c) of this Paragraph, a ~~non-retiree~~
 11 **nonretiree** beneficiary shall be eligible for the ~~cost-of-living adjustment~~ **permanent**
 12 **benefit increase**:

13 (i) If benefits had been paid to the retiree, or the beneficiary, or both
 14 combined, for at least one year; ~~and.~~

15 (ii) In no event before the retiree would have attained age sixty.

16 (c) The provisions of Items (a)(ii) and (b)(ii) of this Paragraph shall not apply
 17 to any person who receives disability benefits from this system or who receives
 18 benefits based on the death of a disability retiree of this system.

19 ~~D. The cost-of-living increase which is authorized by Subsection C of this~~
 20 ~~Section shall be limited to the lesser of either two percent or an amount determined~~
 21 ~~as provided in Subsection C of this Section in or for any year in which the system~~
 22 ~~does not earn an actuarial rate of return of at least seven percent interest on the~~
 23 ~~investment of the system's assets.~~

24 E. Effective July 1, 2007, the balance in the ~~Employee Experience Account~~
 25 **experience account** shall be zero.

26 F. In addition to the ~~cost-of-living adjustment~~ **permanent benefit increase**
 27 authorized by Subsection ~~C~~ **B** of this Section, the board of trustees may grant a
 28 supplemental ~~cost-of-living adjustment~~ **permanent benefit increase** to all retirees
 29 and beneficiaries who are at least age sixty-five; ~~which~~ **and who retired on or**
 30 **before June 30, 2001. This supplemental increase** shall consist of an amount

1 equal to two percent of the benefit being received on the date of the adjustment
2 ~~increase~~. In order to grant such supplemental ~~cost-of-living adjustment~~ **permanent**
3 **benefit increase**, the board of trustees shall recommend to the president of the
4 Senate and the speaker of the House of Representatives that the system be permitted
5 to grant such supplemental ~~cost-of-living adjustment~~ **permanent benefit increase**
6 to retirees and beneficiaries whenever the balance in the ~~Employee Experience~~
7 ~~Account~~ **experience account** is sufficient to fully fund such benefit on an actuarial
8 basis, as determined by the system's actuary. If the legislative actuary disagrees with
9 the determination of the system's actuary, such supplemental ~~cost-of-living~~
10 ~~adjustment~~ **permanent benefit increase** shall not be granted. The board of trustees
11 shall not grant such supplemental ~~cost-of-living adjustment~~ **permanent benefit**
12 **increase** unless such supplemental ~~cost-of-living adjustment~~ **permanent benefit**
13 **increase** has been approved by the legislature. Any such supplemental ~~cost-of-living~~
14 ~~adjustment~~ **permanent benefit increase** paid on or before June 30, 2015, shall be
15 limited to and shall ~~only~~ be payable based **only** on an amount not to exceed
16 eighty-five thousand dollars of the retiree's annual benefit. Any such supplemental
17 ~~cost-of-living adjustment~~ **permanent benefit increase** paid on or after July 1, 2015,
18 shall be limited to and shall ~~only~~ be payable based **only** on an amount not to exceed
19 sixty thousand dollars of the retiree's annual benefit. Effective on and after July 1,
20 2007, and on or before June 30, 2015, the eighty-five thousand dollar limit shall be
21 increased each year in an amount equal to the increase in the ~~consumer price index~~
22 ~~(United States city average for all urban consumers (CPI-U)), as prepared by the~~
23 ~~United States Department of Labor, Bureau of Labor Statistics,~~ **CPI-U** for the
24 preceding calendar year, if any. Effective on and after July 1, 2015, the ~~sixty-~~
25 ~~thousand~~ **sixty thousand** dollar limit shall be increased each year in an amount equal
26 to the increase in the ~~consumer price index (United States city average for all urban~~
27 ~~consumers (CPI-U)), as prepared by the United States Department of Labor, Bureau~~
28 ~~of Labor Statistics,~~ **CPI-U** for the twelve-month period ending on the system's
29 valuation date, if any. Any ~~cost-of-living adjustment~~ **permanent benefit increase**
30 granted pursuant to the provisions of this Subsection shall begin on ~~the~~ July first

1 following legislative approval and shall be payable annually.

2 Section 2. R.S. 11:102(B)(3)(d)(v), (vi), (vii), and (viii), 542(G), 883.1(G) and (H),
3 1145.1(F), and 1332(G) are hereby repealed.

4 Section 3. In case of any conflict between the provisions of this Act and the
5 provisions of any other Act of the 2016 Regular Session of the Legislature, the provisions
6 of this Act shall supersede and control regardless of the order of passage.

7 Section 4. This Act shall become effective on June 30, 2016; if vetoed by the
8 governor and subsequently approved by the legislature, this Act shall become effective on
9 June 30, 2016, or on the day following such approval by the legislature, whichever is later.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____