

2019 Regular Session

HOUSE BILL NO. 21

BY REPRESENTATIVE PEARSON

1 AN ACT

2 To amend and reenact R.S. 11:22(B)(4), 42(B)(3), and 103(B)(3)(e)(i) and to enact R.S.
3 11:2252(24), relative to actuarial funding of the Firefighters' Retirement System; to
4 provide with respect to actuarial funding methods and amortization of unfunded
5 accrued liabilities; and to provide for related matters.

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

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:22(B)(4), 42(B)(3), and 103(B)(3)(e)(i) are hereby amended and
11 reenacted and R.S. 11:2252(24) is hereby enacted to read as follows:

12 §22. Methods of actuarial valuation established

13 * * *

14 B. The following funding methods shall be utilized to determine actuarially
15 required contributions:

16 * * *

17 (4) Firefighters' Retirement System: ~~entry age normal~~; frozen initial liability.

18 * * *

19 §42. Unfunded accrued liabilities; amortization

20 * * *

21 B. The provisions of this Subsection shall be implemented and accomplished
22 by the governing authorities of the state and statewide public retirement systems as
23 follows:

24 * * *

1 (3) Firefighters' Retirement System. ~~The unfunded accrued liability, as of~~
 2 ~~June 30, 1989, determined under the funding method specified in R.S. 11:22(B)(4),~~
 3 ~~shall be amortized over a thirty-year period, commencing with fiscal year 1989-~~
 4 ~~1990, with level dollar payments annually.~~ Effective beginning with the 2019
 5 valuation, the outstanding balance of the unfunded accrued liability, except
 6 unamortized merger bases, shall be frozen, combined, and reamortized over fifteen
 7 years with payments decreasing by one percent per year. All future actuarial
 8 experience gains and losses, contribution gains and losses, gains and losses arising
 9 from changes in benefits, and gains and losses arising from changes in assumptions,
 10 shall be included in the calculation of the normal cost through frozen initial liability
 11 funding method.

* * *

§103. Employer contributions; determination; statewide systems

* * *

B.

* * *

(3) The actuarially required employer contribution for each fiscal year shall be that dollar amount equal to the sum of:

* * *

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

~~(i)(aa) Except as otherwise provided by this Item, actuarial~~ Actuarial gains and losses, if appropriate for the funding method used by the system as specified in R.S. 11:22, for each fiscal year such payments to be calculated as level dollar amounts over a period of fifteen years from the fiscal year of occurrence of each such actuarial gain or loss, such gains and losses to include any increases in actuarial liability due to governing authority granted cost-of-living increases.

* * *

1 §2252. Definitions

2 The following words and phrases, as used in this Chapter, unless a different
3 meaning is plainly required by context, shall have the following meaning:

4 * * *

5 (24) "Accrued liability" shall mean the entry age normal accrued liability.

6 Section 2. The Louisiana State Law Institute is hereby authorized and requested to
7 recodify the provisions enacted as R.S. 11:2252(24) in Section 1 of this Act to achieve its
8 proper placement in the alphabetical order of definitions.

9 Section 3. This Act shall become effective on July 1, 2019; if vetoed by the governor
10 and subsequently approved by the legislature, this Act shall become effective on July 1,
11 2019, or on the day following such approval by the legislature, whichever is later.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____