

2022 Regular Session

SENATE BILL NO. 420

BY SENATOR BERNARD

GROUP BENEFITS PROGRAM. Provides relative to operating funds of the Office of Group Benefits. (7/1/22)

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AN ACT

To amend and reenact R.S. 42:802(B)(3) and to enact R.S. 42:805(E), relative to the Office of Group Benefits; to provide relative to operating and other monies under the control of the Office of Group Benefits; to define Group Funds; to provide for the separate investment of Group Funds by the state treasurer; to provide relative to the disposition and classification of interest earned on such funds; to provide relative to the payment of investment and management fees; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 42:802(B)(3) is hereby amended and reenacted and R.S. 42:805(E) is hereby enacted to read as follows:

§802. Powers and duties; Office of Group Benefits

* * *

B. * * *

(3) To designate a depository for operating and other monies under its control, which shall be fully guaranteed and shall be subject to the provisions of **R.S. 42:805(E)**, R.S. 49:321, and Chapter 1-A of Subtitle I of Title 39 of the Louisiana Revised Statutes of 1950.

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2 §805. Collection and deposit of contributions

3 * * *

4 **E. Contributions received pursuant to Subsection D of this Section and**
5 **all other operating and other monies under the control of the Office of Group**
6 **Benefits, collectively hereinafter "Group Funds" for the purposes of this**
7 **Subsection, shall be managed according to the following procedures:**

8 **(1) Group Funds deposited with the state treasurer in accordance with**
9 **R.S. 42:802(B)(3) shall be invested by the state treasurer in the same manner as**
10 **monies in the state general fund, and interest earned on the investment of**
11 **Group Funds shall be credited to Group Funds.**

12 **(2) Group Funds, including but not limited to any interest proceeds, shall**
13 **be available for appropriation to pay expenses incurred for outside investment**
14 **managers for the investment and management of Group Funds, and for other**
15 **custody, investment, and disbursement costs directly attributable to Group**
16 **Funds.**

17 **(3) Interest earned on the investment of Group Funds shall be classified**
18 **as self-generated revenues of the Office of Group Benefits available for**
19 **appropriation in accordance with law.**

20 Section 2. This Act shall become effective on July 1, 2022; if vetoed by the governor
21 and subsequently approved by the legislature, this Act shall become effective on the day
22 following such approval by the legislature or July 1, 2022, whichever is later.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Martha Hess.

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Present law authorizes the Office of Group Benefits (OGB) to designate a depository for operating and other monies under its control which shall be fully guaranteed and shall be subject to the provisions of present law. Proposed law adds to the list of statutes that OGB must follow regarding designating a depository.

Proposed law adds to present law by providing that all operating and other monies under the control of OGB, hereinafter called "Group Funds", shall be managed according to the

following procedures:

- (1) Group Funds deposited with the state treasurer shall be invested in the same manner as monies in the state general fund and interest on Group Funds shall be credited to Group Funds.
- (2) Group Funds shall be available for appropriation to pay expenses incurred for outside investment managers for the investment and management of Group Funds, and for other custody, investment, and disbursement costs directly attributable to Group Funds.
- (3) Interest on Group Funds shall be classified as self-generated revenues of OGB available for appropriation as provided in present law.

Effective July 1, 2022.

(Amends R.S. 42:802(B)(3); adds R.S. 42:805(E))