

Regular Session, 2013

SENATE BILL NO. 17

BY SENATOR GUILLORY

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT SYSTEMS. Provides relative to funding of state retirement systems.
(6/30/13)

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AN ACT

To provide for funding of state retirement systems; to dedicate certain increases in revenue to payment of liabilities of the systems; to specify application of the payments; to provide for an effective date; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. (A) There is hereby created in the state treasury the State Retirement Fund. Notwithstanding any other provision of law in effect on the effective date of this Act or thereafter, the treasurer shall deposit into the State Retirement Fund two percent of the amount of each tax, assessment, or fee collected under any provision of state law in Fiscal Year 2012-2013 and under any provision of state law in each fiscal year thereafter, which is in excess of actual collections of each such tax, assessment, and fee in Fiscal Year 2011-2012, after first having credited such amounts to the Bond Security and Redemption Fund as required by Article VII, Section 9(B) of the Louisiana Constitution.

(B) Monies in the State Retirement Fund shall be used solely as provided for in this Act. Such monies shall be appropriated by the legislature each fiscal year to the four state retirement systems, allocated as follows:

- 1 (1) Louisiana State Employees' Retirement System - 37.0%.
- 2 (2) Teachers' Retirement System of Louisiana - 56.7%.
- 3 (3) Louisiana School Employees' Retirement System - 4.5%.
- 4 (4) Louisiana State Police Retirement System - 1.8%.

5 (C) Eighty percent of the monies appropriated to each retirement system shall be
6 applied to liquidate the unfunded accrued liabilities of the system, as follows:

7 (1) First, to the outstanding balance of the original amortization base, if any, without
8 reamortization of the base, until the base is fully liquidated.

9 (2) Second, after the liquidation of any original amortization base, to the outstanding
10 balance of the experience account amortization base, if any, without reamortization of the
11 base, until the base is fully liquidated.

12 (3) Third, after the liquidation of any experience account amortization base, to the
13 balance of the oldest outstanding amortization base without reamortization of such base and
14 until all such bases are fully liquidated.

15 (D) Twenty percent of the monies appropriated shall be applied or credited by the
16 retirement systems as follows:

17 (1) If the system has an experience account, the monies shall be credited to the
18 system's experience account.

19 (2) If the system has no experience account as a result of the Act that originated as
20 Senate Bill No. 11 of the 2013 Regular Session of the legislature, the monies shall be applied
21 to the outstanding balance of the amortization base created as a result of that Act, without
22 reamortization of the base and until the base is fully liquidated.

23 (3) If the system has no experience account and no amortization base created by the
24 Act that originated as Senate Bill No. 11 of the 2013 Regular Session, all monies shall be
25 applied as provided in Subsection C of this Section.

26 Section 2. This Act shall become effective on June 30, 2013; if vetoed by the
27 governor and subsequently approved by the legislature, this Act shall become effective on
28 June 30, 2013, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Laura Gail Sullivan.

DIGEST

Proposed law provides for 2% of revenue collections in excess of FY 2011-2012 levels to be dedicated to liquidating the unfunded accrued liabilities and to funding benefit increases for retirees of the state retirement systems.

Effective June 30, 2013.