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## DIGEST

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Pearson

HB No. 42

**Abstract:** Establishes an amortization conversion account to which experience account funds left over after the system grants a permanent benefit increase to retirees and beneficiaries pursuant to present law shall be credited. Requires application of account funds to offset in whole or in part the required employer contribution rates for July 1, 2014 through June 30, 2019.

Present law (R.S. 11:1145.1) provides for funds to be deposited into the experience account at the end of each fiscal year if the system attains certain funding targets. Proposed law credits to an amortization conversion account the residue of experience account funds remaining from the July 1, 2013, balance after payment of a permanent benefit increase to qualifying system retirees and beneficiaries.

Proposed law requires money from the amortization conversion account to be used to fund in whole or in part employer contribution rates for the years July 1, 2014, through June 30, 2019. Further requires that on June 30, 2019, all funds remaining in the account be accounted for actuarially as a gain in accordance with present law.

Effective if and when the Act which originated as SB 14 of the 2014 R.S. becomes effective.

(Amends R.S. 11:102(B)(3)(d)(vi))

### Summary of Amendments Adopted by House

#### House Floor Amendments to the engrossed bill.

1. Removes provisions that consolidate specific debt schedules of LSERS, apply any remaining funds in the system's experience account after the system grants a permanent benefit increase effective July 1, 2014, to such consolidated debt, and then reamortizes those liabilities.
2. Adds provision establishing an amortization conversion account to which the unused funds in the system's experience account after the system grants a permanent benefit increase effective July 1, 2014, shall be credited.
3. Requires funds in the account to be used to fund in whole or in part any annual employer contributions required between July 1, 2014 and June 30, 2019, and credited

as a gain to the system thereafter.