

2016 Regular Session

HOUSE BILL NO. 22

BY REPRESENTATIVE MONTOUCET

RETIREMENT/FIREFIGHTERS: Establishes a funding deposit account for the Firefighters' Retirement System and authorizes the board of trustees of the system to modify required employer contribution rates in certain circumstances and within certain limits in order to fund the account

1 AN ACT

2 To amend and reenact R.S. 11:107.1(B)(2) and to enact R.S. 11:105(A)(7), 107(A)(6), and
3 107.1(A)(6), relative to the Firefighters' Retirement System; to authorize the board
4 of trustees of the system to modify employer contribution rates in certain
5 circumstances; to establish a funding deposit account within the system; and to
6 provide for related matters.

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

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 11:107.1(B)(2) is hereby amended and reenacted and R.S.
12 11:105(A)(7), 107(A)(6), and 107.1(A)(6) are hereby enacted to read as follows:

13 §105. Employer contributions; maintaining rates

14 A. The provisions of this Section shall apply to the following statewide
15 public retirement systems or funds, hereinafter referred to in this Section as
16 "systems":

17 * * *

18 (7) The Firefighters' Retirement System.

19 * * *

1 §107. Additional employer contributions; reducing rate decreases

2 A. The provisions of this Section shall apply to the following statewide
3 public retirement systems or funds:

4 * * *

5 (6) The Firefighters' Retirement System.

6 * * *

7 §107.1. Funding deposit account

8 A. The provisions of this Section shall apply to the following statewide
9 public retirement systems or funds, hereinafter referred to in this Section as
10 "systems":

11 * * *

12 (6) The Firefighters' Retirement System.

13 B.

14 * * *

15 (2) The balance in the account shall be set equal to zero as of the December
16 31, ~~2008~~ immediately preceding the date the account is established.

17 * * *

18 Section 2. This Act shall become effective on July 1, 2016; if vetoed by the governor
19 and subsequently approved by the legislature, this Act shall become effective on July 1,
20 2016, or on the day following such approval by the legislature, whichever is later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 22 Original

2016 Regular Session

Montoucet

Abstract: Authorizes the Firefighters' Retirement System (FRS) to increase required employer contribution rates in certain circumstances and establishes a funding deposit account within the system for collection of contribution remittances above the actuarially required amount.

Present law (R.S. 11:105 and 107) grants certain statewide retirement systems the authority to increase required employer contribution rates in certain circumstances. Generally, in a year in which the required contribution rate would otherwise decrease, the systems are

authorized to (a) hold the rate at the previous year's level or (b) set the contribution rate anywhere between the new lower rate and the previous year's higher rate.

Proposed law retains present law.

Systems with authority to modify employer contribution rates under present law include the Assessors' Retirement Fund, Clerks' of Court Retirement and Relief Fund, Municipal Employees' Retirement System, and the Registrars of Voters Employees' Retirement System. Proposed law would grant FRS the same authority.

Present law (R.S. 11:107.1) establishes a "funding deposit account" in certain statewide systems, such as Assessors', Clerks of Court, Municipal Employees', and Registrars of Voters. Funds collected pursuant to present and proposed law in excess of minimum required employer contribution rates are credited to this account and may be used by the board of trustees of the system for the following purposes:

- (1) Reduce system unfunded accrued liabilities.
- (2) Reduce future employer contribution rates.
- (3) Pay cost-of-living adjustments.

Proposed law establishes a funding deposit account within FRS and grants them the same authority as the other systems with such accounts.

Effective July 1, 2016.

(Amends R.S. 11:107.1(B)(2); Adds R.S. 11:105(A)(7), 107(A)(6), and 107.1(A)(6))