
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))