

1 state shall guarantee any benefits annuitized by such a retirement system and payable
2 to a member or retiree or to his lawful beneficiary upon his death.

3 (B) Other Officials and Employees. The legislature shall enact laws
4 providing for retirement of officials and employees of the state, its agencies, and its
5 political subdivisions, including persons employed jointly by state and federal
6 agencies other than those in military service, through the establishment of one or
7 more retirement systems. Membership in any retirement system of the state or of a
8 political subdivision thereof shall be a contractual relationship between employee
9 and employer, and the state shall guarantee benefits annuitized by a state retirement
10 system and payable to a member of a state retirement system or retiree or to his
11 lawful beneficiary upon his death.

12 * * *

13 (E) Actuarial Soundness.

14 * * *

15 (5) All assets, proceeds, or income of the state and statewide public
16 retirement systems, and all contributions and payments made to the system to
17 provide for retirement and related benefits shall be held, invested as authorized by
18 law, or disbursed as in trust for the exclusive purpose of providing such benefits,
19 refunds, and administrative expenses under the management of the boards of trustees
20 and shall not be encumbered for or diverted to any other purpose.

21 (6)(a) The accrued benefits of members of any ~~state or~~ statewide public
22 retirement system shall not be diminished or impaired.

23 (b) The accrued benefits of a member of a state retirement system that are
24 annuitized by a state retirement system and that are based on membership in a plan
25 or tier that calculates normal retirement benefits using an accrual rate and an average
26 of the member's compensation or salary shall not be diminished or impaired.

27 * * *

1 Section 2. Be it further resolved that this proposed amendment shall be submitted
2 to the electors of the state of Louisiana at the statewide election to be held on November 8,
3 2016.

4 Section 3. Be it further resolved that on the official ballot to be used at the election,
5 there shall be printed a proposition, upon which the electors of the state shall be permitted
6 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
7 follows:

8 Do you support an amendment to provide that the constitutional guarantee
9 of accrued retirement benefits for state employees applies only to benefits
10 that are paid by a state retirement system and not to benefits paid by other
11 retirement service providers? (Amends Article X, Section 29(A), (B), and
12 (E)(5); Adds Article X, Section 29(E)(6))

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 45 Original

2016 Regular Session

Ivey

Abstract: Eliminates certain protections for benefits of state retirement system members if such benefits are paid by a third-party provider and not by a state retirement system.

Present constitution (Art. X, Sec. 29(A) and (B)) guarantees benefits payable to a member or retiree of a state retirement system, or payable to a lawful beneficiary of a member or retiree of a state retirement system. Proposed constitutional amendment provides that such benefits are guaranteed only if they have been annuitized by a state retirement system.

Present constitution (Art. X., Sec. 29(E)(5)) prohibits the accrued benefits of state and statewide retirement system members from being diminished or impaired. Proposed constitutional amendment retains present constitution for statewide retirement system members. Prohibits diminishment or impairment of state retirement system benefits if both of the following conditions are met:

- (1) The benefits are annuitized by a state retirement system.
- (2) The benefits are based on service in a plan or tier of a state retirement system that calculates normal retirement benefits using an accrual rate and an average of the member's compensation or salary.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 8, 2016.

(Amends Art. X, §29(A), (B), and (E)(5); Adds Art. X, §29(E)(6))