

2016 Regular Session

HOUSE BILL NO. 51

BY REPRESENTATIVE IVEY

RETIREMENT/STATE SYSTEMS: Requires each state retirement system actuary to be approved by the La. Legislative Auditor

1 AN ACT

2 To amend and reenact R.S. 11:515(5), 834(A)(1), 1171(A), and 1302.2(A)(1) and R.S.
3 24:513(C)(2) and to enact R.S. 24:513(D)(7), relative to actuarial services provided
4 to state retirement systems; to provide relative to the powers and duties of the
5 legislative auditor with respect to such services; to provide relative to the powers and
6 duties of the boards of trustees of state retirement systems regarding employment of
7 a system actuary; and to provide for related matters.

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

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 11:515(5), 834(A)(1), 1171(A), and 1302.2(A)(1) are hereby
13 amended and reenacted to read as follows:

14 §515. Powers and duties

15 The board of trustees shall have the following powers and duties:

16 * * *

17 (5) To appoint an actuary in accordance with R.S. 24:513 and to adopt
18 mortality and service tables.

19 * * *

§834. Actuary; appointment; duties and powers; assets; fiduciary responsibility of trustees; portfolio control manager; actuarial assumptions

A.(1) The board of trustees shall designate an actuary in accordance with R.S. 24:513 who shall be the technical adviser of the board of trustees on matters regarding the operation of the funds created by the provisions of this Chapter, and shall perform such other duties as are required in connection therewith.

* * *

§1171. Actuary; appointment; duties and powers

A. The board of trustees shall designate an actuary in accordance with R.S. 24:513 who shall be the technical advisor of the board of trustees on matters regarding the operation of the funds created by the provisions of this Chapter and who shall perform such other duties as are required in connection therewith.

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§1302.2. Actuary; appointment; duties and powers; actuarial assumptions

A.(1) The board of trustees shall designate an actuary in accordance with R.S. 24:513 who shall be a technical advisor of the board of trustees on matters regarding the operation of the retirement system created by the provisions of this Chapter and shall perform such other duties as are required by law or by the board of trustees.

* * *

Section 2. R.S. 24:513(C)(2) is hereby amended and reenacted and R.S. 24:513(D)(7) is hereby enacted to read as follows:

§513. Powers and duties of legislative auditor; audit reports as public records; assistance and opinions of attorney general; frequency of audits; subpoena power

* * *

C.

* * *

(2) ~~This provision shall in no way be deemed to preclude the authority of any retirement system funded in whole or in part out of public funds to hire an actuary.~~
However, any An actuary employed by the legislature or legislative auditor shall be prohibited from serving as, or employing or contracting with any other actuary who is serving as, an actuary for any public retirement system within the state of Louisiana, with respect to such public retirement system, unless such service, employment, or contract is approved by the Legislative Audit Advisory Council as being in the best interest of the state of Louisiana.

9 D. In addition, the legislative auditor shall perform the following duties and
10 functions:

11 * * *

12 (7) He shall maintain a list of names of at least three actuarial firms from
13 which the board of trustees of each state retirement system shall select one to provide
14 actuarial services to the board. Each such firm shall employ at least one qualified
15 actuary who shall be responsible for technical advice and actuarial services provided
16 to the board by the firm.

17 * * *

18 Section 2.(A) The provisions of Section 1 of this Act shall become applicable to
19 each state retirement system on the date the system's contract for actuarial services in effect
20 on June 30, 2016, expires.

(B) The provisions of this Section shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

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 51 Original

2016 Regular Session

Ivey

Abstract: Requires each state retirement system to chose its actuary from a list of actuarial firms maintained by the legislative auditor.

Present law requires each state retirement system—the La. State Employees' Retirement System (LASERS), the Teachers' Retirement System of La. (TRSL), the La. School Employees' Retirement System (LSERS), and the State Police Retirement System (STPOL)—to hire an actuary to provide technical and actuarial services to the system.

Proposed law requires the actuary hired by the system to be selected from a list maintained by the legislative auditor. Requires the list to contain the names of at least three actuarial firms. Requires each firm on the list to employ at least one qualified actuary who shall be responsible for providing technical assistance and actuarial services to the retirement system.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 11:515(5), 834(A)(1), 1171(A), and 1302.2(A)(1) and R.S. 24:513(C)(2); Adds R.S. 24:513(D)(7))