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## DIGEST

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HB 47 Original

2016 Regular Session

Ivey

**Abstract:** Requires administrative expenses of state retirement systems to be calculated on a prospective basis and added into the employer contributions of each system instead of assessed as a net loss each year and amortized as a debt over 30 years.

Present law is silent as to how administrative expenses for retirement systems are to be paid. The state retirement systems generally amortize the prior year's administrative expenses as a debt over a period of 30 years.

Proposed law requires that each state system fund noninvestment administrative expenses by including the projected cost of such expenses as a piece of the annual required employer contribution to the system.

Effective June 30, 2016.

(Amends R.S. 11:102(B)(3)(intro. para.); Adds R.S. 11:102(B)(3)(e))