

2016 Regular Session

SENATE BILL NO. 18

BY SENATORS PEACOCK, BOUDREAUX, CORTEZ, LONG AND MILKOVICH

RETIREMENT SYSTEMS. Provides for actuarial determinations and application of funds.  
(6/30/16)

1 AN ACT

2 To amend and reenact R.S. 11:102(B)(1), (2), (3)(introductory paragraph), (a), and (d)

3 (introductory paragraph), (i), (ii), (iii), and (iv), (4), and (5)(a) and (b), (C), and (D),

4 102.1(B)(4), (5), and (6) and (C)(2), (4), (5), and (6), 102.2(B)(4) and (5) and (C)(2),

5 (4), (5), and (6), 102.3, 542(A), (B), (C), (E), and (F), 883.1(A), (B), (C), (E), and

6 (F), 927(B)(2)(a)(introductory paragraph) and (i) and (b)(i) and (3)(a), 1145.1(A),

7 (B), (C), (D), and (E), and 1332(A), (B), (C), (D), (E), and (F), to enact R.S. 11:23,

8 102(E) and (F), 102.1(A)(4), (B)(3)(a)(iv), and (D), 102.2(A)(4), (B)(3)(a)(iv), and

9 (D), 102.4, 102.5, 102.6, 542(D) and 883.1(D), and to repeal R.S.

10 11:102(B)(3)(d)(v), (vi), (vii), and (viii), 542(G), 883.1(G) and (H), 1145.1(F), and

11 1332(G), to provide for actuarial determinations and application of retirement system

12 funds without allowing, authorizing, or granting benefit improvements; to provide

13 for the determination of required employer contributions and application of

14 investment earnings to certain debts and accounts; to prioritize excess return

15 allocations; to provide for an effective date; and to provide for related matters.

16 Notice of intention to introduce this Act has been published.

17 Be it enacted by the Legislature of Louisiana:

1 Section 1. R.S. 11:102(B)(1), (2), (3)(introductory paragraph), (a), and  
 2 (d)(introductory paragraph), (i), (ii), (iii), and (iv), (4), and (5)(a) and (b), (C), and (D),  
 3 102.1(B)(4), (5), and (6) and (C)(2), (4), (5), and (6), 102.2(B)(4) and (5) and (C)(2), (4), (5),  
 4 and (6), 102.3, 542(A), (B), (C), (E), and (F), 883.1(A), (B), (C), (E), and (F),  
 5 927(B)(2)(a)(introductory paragraph) and (i) and (b)(i) and (3)(a), 1145.1(A), (B), (C), (D),  
 6 and (E), and 1332(A), (B), (C), (D), (E), and (F) are hereby amended and reenacted and R.S.  
 7 11:23, 102(E) and (F), 102.1(A)(4), (B)(3)(a)(iv), and (D), 102.2(A)(4), (B)(3)(a)(iv), and  
 8 (D), 102.4, 102.5, 102.6, and 542(D), 883.1(D) are hereby enacted to read as follows:

9 **§ 23. Funded percentage; state systems**

10 **Except as otherwise provided in this Title, "funded percentage" for each**  
 11 **state public retirement system shall mean the valuation assets used to determine**  
 12 **the actuarially-required contributions pursuant to R.S. 11:102 divided by the**  
 13 **accrued liability of the system determined by utilizing the funding method**  
 14 **established in R.S. 11:22.**

15 \* \* \*

16 §102. Employer contributions; determination; state systems

17 \* \* \*

18 B.(1) Except as provided in ~~Subsection C of this Section for the Louisiana~~  
 19 ~~State Employees' Retirement System and Subsection D of this Section for the~~  
 20 ~~Teachers' Retirement System of Louisiana and except as provided in R.S. 11:102.1,~~  
 21 102.2, **102.3, 102.4, and 102.5** and in Paragraph (5) of this Subsection, for each  
 22 fiscal year, commencing with Fiscal Year 1989-1990, for each of the public  
 23 retirement systems referenced in Subsection A of this Section, the legislature shall  
 24 set the required employer contribution rate **for each system or plan** equal to the  
 25 ~~actuarially required~~ **actuarially-required** employer contribution, as determined  
 26 ~~under Paragraph (3) of this Subsection~~ **pursuant to the provisions of this Section,**  
 27 divided by the total projected payroll of all active members of each particular system  
 28 **or plan** for the fiscal year. Each entity funding a portion of a member's salary shall  
 29 also fund the employer's contribution on that portion of the member's salary at the

1 employer contribution rate specified in this ~~Subsection~~ **Section**.

2 (2)(a) At the end of each fiscal year, the difference between the ~~actuarially~~  
3 ~~required~~ **actuarially-required** employer contribution for the fiscal year, as  
4 determined ~~under Paragraph (3) of this Subsection or pursuant to Subsection C of~~  
5 ~~this Section for the Louisiana State Employees' Retirement System or Subsection D~~  
6 **pursuant to the provisions** of this Section for the ~~Teachers' Retirement System of~~  
7 ~~Louisiana~~, and the amount of employer contributions actually received for the fiscal  
8 year, excluding any amounts received for the extraordinary purchase of additional  
9 benefits or service, shall be determined.

10 (b) If the amount of employer contributions received for the fiscal year is less  
11 than the ~~actuarially required~~ **actuarially-required** employer contribution for the  
12 fiscal year; due to the failure of the legislature to appropriate funds at the required  
13 employer contribution rate, the difference shall be paid by the state treasurer from  
14 the state general fund upon warrant from the governing authority of the retirement  
15 system.

16 (c) At the end of each fiscal year, the difference between the minimum  
17 employer contribution, as required by the Constitution of Louisiana, and the  
18 ~~actuarially required~~ **actuarially-required** employer contribution for the fiscal year,  
19 as determined ~~under Paragraph (3) of this Subsection or pursuant to Subsection C of~~  
20 ~~this Section for the Louisiana State Employees' Retirement System or Subsection D~~  
21 **pursuant to the provisions** of this Section for the ~~Teachers' Retirement System of~~  
22 ~~Louisiana~~, shall be determined and applied in accordance with the following  
23 provisions:

24 (i) The amount, if any, by which the ~~actuarially required~~  
25 **actuarially-required** contribution for a system exceeds the ~~constitutionally required~~  
26 **constitutionally-required** minimum contribution for that system shall be  
27 accumulated in an employer credit account which shall be adjusted annually to  
28 reflect any gain or loss attributable to the balance in the account at the actuarial rate  
29 of return earned by the system.

1 (ii) Except as provided in Paragraph (5) of this Subsection, annual  
 2 contributions required in accordance with this ~~Subsection~~ **Section**, or the  
 3 constitutional minimum if greater, may be funded in whole or in part from the  
 4 employer credit account, provided the employee contribution rate or rates for the  
 5 system as set forth in R.S. 11:62 has or have been reduced to an amount equal to or  
 6 less than fifty percent of the annual normal cost for the system or the plan ~~as~~  
 7 ~~provided in Subsection C or D of this Section~~, rounded to the nearest one-quarter  
 8 percent.

9 (iii) ~~For purposes of implementing Act No. 1331 of the 1999 Regular Session~~  
 10 ~~of the Legislature, the balance of the Employer Credit Account applicable to the~~  
 11 ~~Louisiana School Employees' Retirement System as of June 30, 1999, shall be fifty-~~  
 12 ~~six million seven hundred fifty-four thousand four hundred five dollars.~~

13 (d) Except as provided in R.S. 11:102.1 and 102.2, differences occurring for  
 14 any other reason shall be added to or subtracted from the following fiscal year's  
 15 ~~actuarially required~~ **actuarially-required** employer contribution in accordance with  
 16 ~~Subparagraph (3)(c) of this Subsection or with Subsection C of this Section for the~~  
 17 ~~Louisiana State Employees' Retirement System or Subsection D~~ **the provisions** of  
 18 this Section for the Teachers' Retirement System of Louisiana.

19 (3) With respect to each state public retirement system, the ~~actuarially~~  
 20 ~~required~~ **actuarially-required** employer contribution for each fiscal year,  
 21 commencing with Fiscal Year 1989-1990, shall be that dollar amount equal to the  
 22 sum of:

23 (a) The employer's normal cost for that fiscal year, computed as of the first  
 24 of the fiscal year using the system's actuarial funding method as specified in R.S.  
 25 11:22 and taking into account the value of future accumulated employee  
 26 contributions and interest thereon, such employer's normal cost rate multiplied by the  
 27 total projected payroll for all active members to the middle of that fiscal year. For  
 28 the Louisiana State Employees' Retirement System, effective for the June 30, ~~2010~~,  
 29 **2010** system valuation and beginning with Fiscal Year 2011-2012, the normal cost

1 shall be determined in accordance with Subsection C of this Section. For the  
 2 Teachers' Retirement System of Louisiana, effective for the June 30, ~~2011~~, **2011**  
 3 system valuation and beginning with Fiscal Year 2012-2013, the normal cost shall  
 4 be determined in accordance with Subsection D of this Section.

5 \* \* \*

6 (d) That fiscal year's payment, computed as of the first of that fiscal year and  
 7 projected to the middle of that fiscal year at the ~~actuarially-assumed~~  
 8 **actuarially-assumed** interest rate, necessary to amortize changes in actuarial  
 9 liability due to:

10 (i) ~~Except as provided in Items (v), (vi), (vii), and (viii) of this Subparagraph,~~  
 11 ~~actuarial~~ **Actuarial** gains and losses, if appropriate for the funding method used by  
 12 the system as specified in R.S. 11:22, for each fiscal year beginning after June 30,  
 13 1988, such payments to be computed as ~~an amount forming an annuity increasing at~~  
 14 ~~four and one-half percent annually over the later of a period of fifteen years from the~~  
 15 ~~year of occurrence or by the year 2029, such gains and losses to include any~~  
 16 ~~increases in actuarial liability due to governing authority granted cost-of-living~~  
 17 ~~increases~~ **provided in Subsection C, D, E, or F of this Section.**

18 (ii) ~~Except as provided in Items (v), (vi), (vii), and (viii) of this~~  
 19 ~~Subparagraph, changes~~ **Changes** in the method of valuing of assets, such payments  
 20 to be computed as ~~an amount forming an annuity increasing at four and one-half~~  
 21 ~~percent annually over the later of a period of fifteen years from the year of~~  
 22 ~~occurrence of the change or by the year 2029~~ **provided in Subsection C, D, E, or**  
 23 **F of this Section.**

24 (iii) ~~Except as provided in Items (v), (vi), (vii), and (viii) of this~~  
 25 ~~Subparagraph, changes~~ **Changes** in actuarial assumptions or actuarial funding  
 26 methods, excluding changes in methods of valuing of assets, such payments to be  
 27 computed as ~~an amount forming an annuity increasing at four and one-half percent~~  
 28 ~~annually over the later of a period of thirty years from the year of occurrence of the~~  
 29 ~~change or by the year 2029~~ **provided in Subsection C, D, E, or F of this Section.**

1           ~~(iv) Except as provided in Items (v), (vi), (vii), and (viii) of this~~  
 2           ~~Subparagraph, changes~~ **Changes** in actuarial accrued liability, computed using the  
 3           actuarial funding method as specified in R.S. 11:22, due to legislation changing plan  
 4           provisions, such payments to be computed in the manner and over the time period  
 5           specified in the legislation creating the change or, if not specified in such legislation,  
 6           ~~as an amount forming an annuity increasing at four and one-half percent annually~~  
 7           ~~over the later of a period of fifteen years from the year of occurrence of the change~~  
 8           ~~or by the year 2029~~ **provided in Subsection C, D, E, or F of this Section.**

9           (4) At the end of the fiscal year during which the assets of a system,  
 10           excluding the outstanding balance due to Subparagraph (B)(3)(c) of this Section,  
 11           exceed the actuarial accrued liability of that system, the amortization schedules  
 12           ~~contained in~~ **calculated pursuant to** Subparagraphs (B)(3)(b) and (d) ~~or in~~ **and**  
 13           ~~Subsection C, D, E, or F of this Section for the Louisiana State Employees'~~  
 14           ~~Retirement System or Subsection D of this Section for the Teachers' Retirement~~  
 15           ~~System of Louisiana~~ shall be fully liquidated and assets in excess of the actuarial  
 16           accrued liability shall be amortized as a credit in accordance with the provisions of  
 17           Subparagraph (B)(3)(d) **and Subsection C, D, E, or F** of this Section.

18           (5)(a) Notwithstanding ~~the provisions~~ **any other provision** of this Section ~~to~~  
 19           **the contrary**, the gross employer contribution rate for the Louisiana State  
 20           Employees' Retirement System and the Teachers' Retirement System of Louisiana  
 21           shall not be less than fifteen and one-half percent per year until such time as the  
 22           unfunded accrued liability that existed on June 30, 2004, is fully funded.

23           (b) At the end of each fiscal year, the difference, if any, by which the amount  
 24           of contributions received from payment of all employer contributions at the fixed  
 25           minimum employer contribution rate established pursuant to this Paragraph exceeds  
 26           the greater of the minimum employer contribution required by Article X, Section 29  
 27           of the Constitution of Louisiana or the statutory minimum employer contribution  
 28           calculated according to the methodology provided for in ~~Items (3)(d)(i) through (iv)~~  
 29           **Subparagraph (3)(d)** of this Subsection or in ~~Paragraph (C)(4)~~ **Subsection C or D**

1 of this Section for the ~~Louisiana State Employees' Retirement System or Paragraph~~  
 2 ~~(D)(4) of this Section for the Teachers' Retirement System of Louisiana~~ shall be  
 3 accumulated in an employer credit account for the respective system.

4 \* \* \*

5 C.(1) ~~This~~ The provisions of this Subsection shall apply to the Louisiana  
 6 State Employees' Retirement System.

7 (2)(a) Except as provided in Subparagraph (b) of this Paragraph and in  
 8 R.S. 11:102.5, effective July 1, 2004, and beginning with Fiscal Year 1998-1999,  
 9 the amortization period for the changes, gains, or losses of the system provided  
 10 in Items (B)(3)(d)(i) through (iv) of this Section shall be thirty years from the  
 11 year in which the change, gain, or loss occurred. The outstanding balances of  
 12 amortization bases established pursuant to Items (B)(3)(d)(i) through (iv) of this  
 13 Section before Fiscal Year 1998-1999, shall be amortized as a level dollar  
 14 amount from July 1, 2004, through June 30, 2029. Beginning with Fiscal Year  
 15 2003-2004, and for each fiscal year thereafter, the outstanding balances of  
 16 amortization bases established pursuant to Items (B)(3)(d)(i) through (iv) of this  
 17 Section shall be amortized as a level dollar amount. Effective for the June 30,  
 18 2010 system valuation and beginning with Fiscal Year 2011-2012, amortization  
 19 payments for changes in actuarial liability shall be determined in accordance  
 20 with this Subsection.

21 (b) Notwithstanding the provisions of Subparagraph (a) of this  
 22 Paragraph, effective for the June thirtieth valuation following the fiscal year in  
 23 which the system first attains a funded percentage of seventy or more pursuant  
 24 to R.S. 11:542 and for every year thereafter, the amortization period for the  
 25 changes, gains, or losses of the system provided in Items (B)(3)(d)(i) through (iv)  
 26 of this Section occurring in that year or thereafter shall be twenty years from  
 27 the year in which the change, gain, or loss occurred.

28 (c) Effective for the first system valuation following June 30, 2015, in  
 29 which an allocation is made to the system's experience account and for each

1 valuation thereafter, actuarial gains allocated to the experience account shall  
2 be amortized as a loss with level payments over a ten-year period.

3 (3) The provisions of this Paragraph and Paragraphs (4) through (9) of  
4 this Subsection shall be ~~applicable to the Louisiana State Employees' Retirement~~  
5 ~~System~~ effective for the June 30, ~~2010~~, 2010 system valuation and beginning Fiscal  
6 Year 2011-2012. For purposes of this Subsection, "plan" or "plans" shall mean a  
7 subgroup within the system characterized by the following employee classifications:

8 (a) Rank-and-file members of the system.

9 (b) Full-time law enforcement personnel, supervisors, or administrators who  
10 are employed with the Department of Revenue or office of alcohol and tobacco  
11 control and who are P.O.S.T. certified, have the power to arrest, and hold a  
12 commission from such office.

13 (c) Peace officers, as defined by R.S. 40:2402(3)(a), employed by the  
14 Department of Public Safety and Corrections, office of state police, other than state  
15 troopers.

16 (d) Judges and court officers to whom Subpart A of Part VII of Chapter 1 of  
17 Subtitle II of this Title is applicable.

18 (e) Wildlife agents to whom Subpart B of Part VII of Chapter 1 of Subtitle  
19 II of this Title is applicable.

20 (f) Wardens, correctional officers, probation and parole officers, and security  
21 personnel employed by the Department of Public Safety and Corrections who are  
22 members of the secondary component pursuant to Subpart C of Part VII of Chapter  
23 1 of Subtitle II of this Title.

24 (g) Correctional officers, probation and parole officers, and security  
25 personnel employed by the Department of Public Safety and Corrections who are  
26 members of the primary component.

27 (h) Legislators, the governor, and the lieutenant governor.

28 (i) Employees of the bridge police section of the Crescent City Connection  
29 Division of the Department of Transportation and Development.

1 (j) Hazardous duty plan members as provided pursuant to R.S. 11:611 et seq.

2 (k) Judges as provided pursuant to R.S. 11:62(5)(a)(iii) and 444(A)(1)(a)(ii).

3 (l) Harbor Police Retirement Plan members as provided pursuant to R.S.  
4 11:631.

5 (m) Any other specialty retirement plan provided for a subgroup of system  
6 members. If the legislation enacting such a plan is silent as to the application of this  
7 Subsection, the Public Retirement Systems' Actuarial Committee shall provide for  
8 the application to such plan.

9 ~~(2)(4) For the Louisiana State Employees' Retirement System, effective~~  
10 **Effective** for the June 30, ~~2010~~, **2010** system valuation and beginning with Fiscal  
11 Year 2011-2012, the normal cost calculated pursuant to Subparagraph (B)(3)(a) of  
12 this Section, shall be calculated separately for each particular plan within the system.  
13 An employer shall pay employer contributions for each employee at the rate  
14 applicable to the plan of which that employee is a member.

15 ~~(3)(5) For the Louisiana State Employees' Retirement System, effective~~  
16 **Effective** for the June 30, ~~2010~~, **2010** system valuation and beginning with Fiscal  
17 Year 2011-2012, changes in actuarial liability due to legislation, changes in  
18 governmental organization, or reclassification of employees or positions shall be  
19 calculated individually for each particular plan within the system based on each  
20 plan's actuarial experience as further provided in Subparagraph ~~(4)(c)~~ **(6)(c)** of this  
21 Subsection.

22 ~~(4)(6) For each plan referenced in Paragraph ~~(1)~~ **(3)** of this Subsection, the~~  
23 legislature shall set the required employer contribution rate equal to the sum of the  
24 following:

25 (a) The particularized normal cost rate. The normal cost rate for each fiscal  
26 year shall be the employer's normal cost for the plan computed by applying the  
27 method specified in R.S. 11:102(B)(1) and (3)(a) to the plan.

28 (b) The shared unfunded accrued liability rate. (i) Except as provided in Item  
29 (ii) of this Subparagraph, a single rate shall be computed for each fiscal year,

1 applicable to all plans for actuarial changes, gains, and losses existing on June 30,  
2 2010, or occurring thereafter, including experience and investment gains and losses,  
3 which are independent of the existence of the plans listed in Paragraph ~~(1)~~ **(3)** of this  
4 Subsection, the payment and rate therefor shall be calculated as provided in this  
5 Subsection and Paragraphs (B)(1) and (3) of this Section.

6 (ii) The shared unfunded accrued liability rate applicable to the Harbor Police  
7 Retirement System shall not include any unfunded accrued liability incurred on or  
8 before July 1, 2015, until the earlier of:

9 (aa) July 1, 2022.

10 (bb) The date that all sums payable by the Port of New Orleans to the board  
11 of trustees of the Louisiana State Employees' Retirement System pursuant to the  
12 terms and conditions of a cooperative endeavor agreement between the board of  
13 trustees of the Louisiana State Employees' Retirement System, the board of  
14 commissioners of the Port of New Orleans, and the board of trustees of the Harbor  
15 Police Retirement System regarding the merger of the Harbor Police Retirement  
16 System into the Louisiana State Employees' Retirement System have been paid in  
17 full.

18 (c) The particularized unfunded accrued liability rate. For actuarial changes,  
19 gains, and losses, excluding experience and investment gains and losses, first  
20 recognized in the June 30, ~~2010~~, **2010** valuation or in any later valuation, attributable  
21 to one or more, but not all, plans listed in Paragraph ~~(1)~~ **(3)** of this Subsection or to  
22 some new plan or plans, created, implemented, or enacted after July 1, 2010, a  
23 particularized contribution rate shall be calculated as provided in this Subsection  
24 and Paragraphs (B)(1) and (3) of this Section.

25 (d) The shared gross employer contribution rate difference. The gross  
26 employer contribution rate difference shall be the difference between the minimum  
27 gross employer contribution rate provided in Paragraph (B)(5) of this Section and the  
28 aggregate employer contribution rate calculated pursuant to the provisions of  
29 Subsection B of this Section.

1           ~~(5)~~**(7)** Each entity funding a portion of the member's salary shall also fund the  
 2 employer's contribution on that portion of the member's salary at the employer  
 3 contribution rate specified in this Subsection.

4           ~~(6)~~**(8)** For purposes of Paragraph (B)(2) of this Section the ~~actuarially~~  
 5 ~~required~~ **actuarially-required** employer contributions and the employer  
 6 contributions actually received for all plans shall be totaled and treated as a single  
 7 contribution.

8           ~~(7)~~**(9)** If provisions of this Section cover matters not specifically addressed  
 9 by the provisions of this Subsection, then those provisions shall be applicable.

10           D.(1) ~~This~~ **The provisions of this Subsection shall apply to the Teachers'**  
 11 **Retirement System of Louisiana.**

12           **(2)(a) Except as provided in Subparagraph (b) of this Paragraph and in**  
 13 **R.S. 11:102.5, effective July 1, 2004, and beginning with Fiscal Year 2000-2001,**  
 14 **the amortization period for the changes, gains, or losses of the system provided**  
 15 **in Items (B)(3)(d)(i) through (iv) of this Section shall be thirty years from the**  
 16 **year in which the change, gain, or loss occurred. The outstanding balances of**  
 17 **amortization bases established pursuant to Items (B)(3)(d)(i) through (iv) of this**  
 18 **Section before Fiscal Year 2000-2001, shall be amortized as a level dollar**  
 19 **amount from July 1, 2004, through June 30, 2029. Beginning with Fiscal Year**  
 20 **2003-2004, and for each fiscal year thereafter, the outstanding balances of**  
 21 **amortization bases established pursuant to Items (B)(3)(d)(i) through (iv) of this**  
 22 **Section shall be amortized as a level dollar amount. Effective for the June 30,**  
 23 **2011 system valuation and beginning with Fiscal Year 2012-2013, amortization**  
 24 **payments for changes in actuarial liability shall be determined in accordance**  
 25 **with this Subsection.**

26           **(b) Notwithstanding the provisions of Subparagraph (a) of this**  
 27 **Paragraph, effective for the June thirtieth valuation following the fiscal year in**  
 28 **which the system first attains a funded percentage of seventy or more pursuant**  
 29 **to R.S. 11:883.1 and for every year thereafter, the amortization period for the**

1 changes, gains, or losses of the system provided in Items (B)(3)(d)(i) through (iv)  
 2 of this Section occurring in that year or thereafter shall be twenty years from  
 3 the year in which the change, gain, or loss occurred.

4 (c) Effective for the first system valuation following June 30, 2015, in  
 5 which an allocation is made to the system's experience account and for each  
 6 valuation thereafter, actuarial gains allocated to the experience account shall  
 7 be amortized as a loss with level payments over a ten-year period.

8 (3) The provisions of this Paragraph and Paragraphs (4) through (9) of  
 9 this Subsection shall be applicable to the Teachers' Retirement System of Louisiana  
 10 effective for the June 30, 2011, 2011 system valuation and beginning Fiscal Year  
 11 2012-2013. For purposes of this Subsection, "plan" or "plans" shall mean a subgroup  
 12 within the system characterized by the following employee classifications:

13 (a) ~~School lunch Plan A.~~

14 (b) ~~School lunch Plan B.~~

15 (c) Employees of an institution of postsecondary education, the Board of  
 16 Regents, or a postsecondary education management board who are not employed for  
 17 the sole purpose of providing instruction or administrative services at the primary or  
 18 secondary level, including at any lab school and the Louisiana School for Math,  
 19 Science, and the Arts.

20 (d)(b) Any other specialty retirement plan provided for a subgroup of system  
 21 members. If the legislation enacting such a plan is silent as to the application of this  
 22 Subsection, the Public Retirement Systems' Actuarial Committee shall provide for  
 23 the application to such plan.

24 (e)(c) All other teachers, as defined in R.S. 11:701(33), including members  
 25 paid from school food service funds as provided in R.S. 11:801 and 811.

26 (2)(4) For the Teachers' Retirement System of Louisiana, effective Effective  
 27 for the June 30, 2011, 2011 system valuation and beginning with Fiscal Year 2012-  
 28 2013, the normal cost calculated pursuant to Subparagraph (B)(3)(a) of this Section,  
 29 shall be calculated separately for each particular plan within the system. An

1 employer shall pay employer contributions for each employee at the rate applicable  
2 to the plan of which that employee is a member.

3 ~~(3)(5)~~ For the Teachers' Retirement System of Louisiana, effective Effective  
4 for the June 30, ~~2011~~, 2011 system valuation and beginning with Fiscal Year  
5 2012-2013, changes in actuarial liability due to legislation, changes in governmental  
6 organization, or reclassification of employees or positions shall be calculated  
7 individually for each particular plan within the system based on each plan's actuarial  
8 experience as further provided in Subparagraph ~~(4)(c)~~ (6)(c) of this Subsection.

9 ~~(4)(6)~~ For each plan referenced in Paragraph ~~(1)~~ (3) of this Subsection, the  
10 legislature shall set the required employer contribution rate equal to the sum of the  
11 following:

12 (a) The particularized normal cost rate. The normal cost rate for each fiscal  
13 year shall be the employer's normal cost for employees in the plan computed by  
14 applying the method specified in Paragraph (B)(1) and Subparagraph (B)(3)(a) of  
15 this Section to the plan.

16 (b) The shared unfunded accrued liability rate. A single rate shall be  
17 computed for each fiscal year, applicable to all plans for actuarial changes, gains, and  
18 losses existing on June 30, 2011, or occurring thereafter, including experience and  
19 investment gains and losses, which are independent of the existence of the plans  
20 listed in Paragraph ~~(1)~~ (3) of this Subsection, the payment and rate therefor shall be  
21 calculated as provided in this Subsection and Paragraphs (B)(1) and (3) of this  
22 Section.

23 (c) The particularized unfunded accrued liability rate. For actuarial changes,  
24 gains, and losses, excluding experience and investment gains and losses, first  
25 recognized in the June 30, ~~2011~~, 2011 valuation or in any later valuation, attributable  
26 to one or more, but not all, plans listed in Paragraph ~~(1)~~ (3) of this Subsection or to  
27 some new plan or plans, created, implemented, or enacted after July 1, 2011, a  
28 particularized contribution rate shall be calculated as provided in this Subsection  
29 and Paragraphs (B)(1) and (3) of this Section.

1 (d) The shared gross employer contribution rate difference. The gross  
2 employer contribution rate difference shall be the difference between the minimum  
3 gross employer contribution rate provided in Paragraph (B)(5) of this Section and the  
4 aggregate employer contribution rate calculated pursuant to the provisions of  
5 Subsection B of this Section.

6 ~~(5)~~(7) Each entity funding a portion of the member's salary shall also fund the  
7 employer's contribution on that portion of the member's salary at the employer  
8 contribution rate specified in this Subsection.

9 ~~(6)~~(8) For purposes of Paragraph (B)(2) of this Section the ~~actuarially~~  
10 ~~required~~ **actuarially-required** employer contributions and the employer  
11 contributions actually received for all plans shall be totaled and treated as a single  
12 contribution.

13 ~~(7)~~(9) If provisions of this Section cover matters not specifically addressed  
14 by the provisions of this Subsection, then those provisions shall be applicable.

15 **E.(1) Except as provided in Paragraphs (2) and (3) of this Subsection and**  
16 **in R.S. 11:102.5, effective July 1, 2004, and beginning with Fiscal Year**  
17 **2000-2001, the amortization period for the changes, gains, or losses of the**  
18 **Louisiana School Employees' Retirement System provided in Items (B)(3)(d)(i)**  
19 **through (iv) of this Section shall be thirty years from the year in which the**  
20 **change, gain, or loss occurred. The outstanding balances of amortization bases**  
21 **established pursuant to Items (B)(3)(d)(i) through (iv) of this Section before**  
22 **Fiscal Year 2000-2001, shall be amortized as a level dollar amount from July 1,**  
23 **2004, through June 30, 2029. Beginning with Fiscal Year 2003-2004, and for**  
24 **each fiscal year thereafter, the outstanding balances of amortization bases**  
25 **established pursuant to Items (B)(3)(d)(i) through (iv) of this Section shall be**  
26 **amortized as a level dollar amount.**

27 **(2)(a) All outstanding amortization bases in existence on June 30, 2014,**  
28 **including outstanding balances established pursuant to Subparagraph (B)(3)(c)**  
29 **of this Section, shall be consolidated and reamortized over the period ending**

1 June 30, 2044, with level dollar payments, effective with the June 30, 2014  
2 valuation. This Paragraph shall not apply to amortization bases established  
3 after June 30, 2014.

4 (b) After payment of a permanent benefit increase pursuant to the  
5 provisions of R.S. 11:1145.1, the unused portion of the June 30, 2013 experience  
6 account balance shall be credited in an amortization conversion account from  
7 which annual contributions required pursuant to Subparagraph (a) of this  
8 Paragraph shall be funded in whole or in part for the years July 1, 2014,  
9 through June 30, 2019. Effective June 30, 2019, all funds remaining in the  
10 amortization conversion account shall be amortized as a gain in accordance  
11 with the provisions of this Subsection.

12 (3) Notwithstanding the provisions of Paragraph (1) of this Subsection,  
13 effective for the June thirtieth valuation following the fiscal year in which the  
14 system first attains a funded percentage of seventy-two or more pursuant to  
15 R.S. 11:1145.1 and for every year thereafter, the amortization period for the  
16 changes, gains, or losses of the system provided in Items (B)(3)(d)(i) through (iv)  
17 of this Section occurring in that year or thereafter shall be twenty years from  
18 the year in which the change, gain, or loss occurred.

19 (4) Effective for the first system valuation following June 30, 2015, in  
20 which an allocation is made to the system's experience account and for each  
21 valuation thereafter, actuarial gains allocated to the experience account shall  
22 be amortized as a loss with level payments over a ten-year period.

23 F.(1) Except as provided in Paragraph (2) of this Subsection and in R.S.  
24 11:102.5, effective July 1, 2009, and beginning with Fiscal Year 1992-1993, the  
25 amortization period for the changes, gains, or losses of the Louisiana State  
26 Police Retirement System provided in Items (B)(3)(d)(i) through (iv) of this  
27 Section shall be thirty years from the year in which the change, gain, or loss  
28 occurred. The outstanding balances of amortization bases established pursuant  
29 to Items (B)(3)(d)(i) through (iv) of this Section before Fiscal Year 2008-2009

1 shall be amortized as a level dollar amount from July 1, 2009, through June 30,  
 2 2029. Beginning with Fiscal Year 2008-2009, and for each fiscal year thereafter,  
 3 the outstanding balances of amortization bases established pursuant to Items  
 4 (B)(3)(d)(i) through (iv) of this Section shall be amortized as a level dollar  
 5 amount.

6 (2) Notwithstanding the provisions of Paragraph (1) of this Subsection,  
 7 effective for the June thirtieth valuation following the fiscal year in which the  
 8 system first attains a funded percentage of seventy or more pursuant to R.S.  
 9 11:1332 and for every year thereafter, the amortization period for the changes,  
 10 gains, or losses of the system provided in Items (B)(3)(d)(i) through (iv) of this  
 11 Section occurring in that year or thereafter shall be twenty years from the year  
 12 in which the change, gain, or loss occurred.

13 (3) Effective for the first system valuation following June 30, 2015, in  
 14 which an allocation is made to the system's experience account and for each  
 15 valuation thereafter, actuarial gains allocated to the experience account shall  
 16 be amortized as a loss with level payments over a ten-year period.

17 §102.1. ~~Consolidation of amortization~~ Amortization payment schedules; **priority**  
 18 **excess return allocations;** Louisiana State Employees' Retirement  
 19 System

20 A. \* \* \*

21 (4) For purposes of this Section, the following shall apply:

22 (a) "Primary priority amount" shall mean the maximum amount of  
 23 system returns in excess of the system's actuarially-assumed rate of return that  
 24 may be applied to the original amortization base, regardless of whether actual  
 25 returns that equal or exceed the maximum are available, and shall equal:

26 (i) For the June 30, 2015 valuation, fifty million dollars.

27 (ii) For each valuation thereafter, the prior year's primary priority  
 28 amount increased by the percentage increase in the system's actuarial value of  
 29 assets for the prior year, if any.

1           **(b) "Primary allocation" shall mean the actual returns available for**  
2           **application to the original amortization base.**

3           **(c) "Secondary priority amount" shall mean the maximum amount of**  
4           **system returns in excess of the system's actuarially-assumed rate of return that**  
5           **may be applied to the experience account amortization base, regardless of**  
6           **whether actual returns that equal or exceed the maximum are available, and**  
7           **shall equal:**

8           **(i) For the June 30, 2015 valuation, fifty million dollars.**

9           **(ii) For each valuation thereafter, before the original amortization base**  
10           **is liquidated, the prior year's secondary priority amount increased by the**  
11           **percentage increase in the system's actuarial value of assets for the prior year,**  
12           **if any.**

13           **(iii) For the valuation in which the original amortization base is**  
14           **liquidated, that year's secondary priority amount calculated pursuant to Item**  
15           **(ii) of this Subparagraph plus any money from that year's primary priority**  
16           **amount remaining after liquidation of the original amortization base.**

17           **(iv) For the first valuation after the original amortization base is**  
18           **liquidated, the portion of the prior year's primary priority amount that was**  
19           **necessary to liquidate the original amortization base plus the prior year's**  
20           **secondary priority amount, both increased by the percentage increase in the**  
21           **system's actuarial value of assets for the prior year, if any.**

22           **(v) For the second valuation after the original amortization base is**  
23           **liquidated and for each valuation thereafter, the prior year's secondary priority**  
24           **amount increased by the percentage increase in the system's actuarial value of**  
25           **assets for the prior year, if any.**

26           **(d) "Secondary allocation" shall mean the actual returns available for**  
27           **application to the experience account amortization base.**

28           **(e) "Residual priority amount" shall mean the maximum amount of**  
29           **system returns in excess of the system's actuarially-assumed rate of return that**

1 may be applied to the oldest outstanding positive amortization base after  
2 liquidation of the experience account amortization base, regardless of whether  
3 actual returns that equal or exceed the maximum are available, and shall equal:

4 (i) For the valuation in which the experience account amortization base  
5 is liquidated, the money from that year's secondary allocation remaining after  
6 liquidation of the experience account amortization base, if any.

7 (ii) For the first valuation after the experience account amortization base  
8 is liquidated, the prior year's secondary priority amount, increased by the  
9 percentage increase in the system's actuarial value of assets for the prior year,  
10 if any.

11 (iii) For the second valuation after the experience account amortization  
12 base is liquidated and for each valuation thereafter, the prior year's residual  
13 priority amount increased by the percentage increase in the system's actuarial  
14 value of assets for the prior year, if any.

15 (f) "Residual allocation" shall mean the actual returns available for  
16 application to the oldest outstanding positive amortization base after liquidation  
17 of the experience account amortization base.

18 (g) In no event shall the total of one year's priority amounts be less than  
19 the total of the previous year's priority amounts.

20 (h) Notwithstanding Subparagraph (i) of this Paragraph, effective for the  
21 June thirtieth valuation following the fiscal year in which the system first  
22 attains a funded percentage of eighty or more pursuant to R.S. 11:542 and for  
23 each valuation thereafter, the net remaining liability of the amortization base  
24 to which the funds are applied shall be reamortized with annual level dollar  
25 payments calculated as provided in R.S. 11:102 over the remainder of the  
26 amortization period originally established for that amortization base.

27 (i) Beginning with the 2019-2020 Fiscal Year and every fifth fiscal year  
28 thereafter, the remaining liability net of all payments made since the last  
29 reamortization shall be reamortized over the remainder of the amortization

1 period originally established for that amortization base with annual payments  
2 calculated as provided for in this Section.

3 (j) Except as provided in Subparagraphs (h) and (i) of this Paragraph  
4 and in Item (B)(3)(a)(iv) and Subparagraph (C)(3)(d) of this Section, the net  
5 remaining liability of the amortization base to which the funds are applied shall  
6 not be reamortized after such application.

7 B. Original amortization base.

8 \* \* \*

9 (3)(a) This consolidated amortization base shall be known as the "original  
10 amortization base" and shall be amortized with annual payments calculated as  
11 follows:

12 \* \* \*

13 (iv) Notwithstanding any provision of this Section to the contrary, the net  
14 remaining liability shall be reamortized over the remainder of the amortization  
15 period ending in 2029 in the first valuation after the 2019-2020 Fiscal Year for  
16 which this reamortization results in annual level dollar payments that do not  
17 exceed the payment otherwise required for that year's valuation.

18 \* \* \*

19 (4)(a) Except as provided in Paragraph (6) of this Subsection, in any year in  
20 which the system exceeds its actuarially-assumed rate of return, ~~the excess returns,~~  
21 ~~up to the first fifty million for the June 30, 2015, valuation,~~ the primary allocation  
22 shall be applied to the remaining balance of the original amortization base  
23 established in this Subsection. ~~The maximum amount of excess returns to be applied~~  
24 ~~in any subsequent year pursuant to the provisions of this Subparagraph shall equal~~  
25 ~~the prior year's maximum amount increased by the percentage increase in the~~  
26 ~~system's actuarial value of assets for the preceding year, if any.~~

27 (b) ~~For any payment made pursuant to the provisions of this Paragraph, if the~~  
28 ~~system is eighty-five percent funded or greater prior to the application of the funds,~~  
29 ~~the net remaining liability shall be reamortized over the remaining amortization~~

1 ~~period with annual payments calculated as provided in this Subsection or as~~  
2 ~~otherwise provided by law; if the system is less than eighty-five percent funded prior~~  
3 ~~to application of the funds, the net remaining liability shall not be reamortized after~~  
4 ~~such application.~~

5 (5) Notwithstanding the provisions of R.S. 11:102(B)(3)(c) and (5) or any  
6 other provision of law to the contrary, in any year through Fiscal Year 2016-2017 in  
7 which the system receives an overpayment of employer contributions as determined  
8 pursuant to R.S. 11:102(B)(2) and in any year through Fiscal Year 2016-2017 in  
9 which the system receives additional contributions pursuant to R.S. 11:102(B)(5),  
10 the amount of such overpayment or additional contribution shall be applied to the  
11 remaining balance of the original amortization base established pursuant to this  
12 Subsection. ~~For any payment made pursuant to the provisions of this Paragraph, if~~  
13 ~~the system is eighty-five percent funded or greater prior to the application of the~~  
14 ~~funds, the net remaining liability shall be reamortized over the remaining~~  
15 ~~amortization period with annual payments calculated as provided in this Subsection~~  
16 ~~or as otherwise provided by law; if the system is less than eighty-five percent funded~~  
17 ~~prior to application of the funds, the net remaining liability shall not be reamortized~~  
18 ~~after such application.~~

19 (6) For the June 30, ~~2014~~, **2014** valuation, if the system exceeds its  
20 actuarially-assumed rate of return, the excess returns, up to the first twenty-five  
21 million dollars, shall be applied to the remaining balance of the original amortization  
22 base established in this Subsection, without reamortization of such base.

23 C. Experience account amortization base.

24 \* \* \*

25 (2) To this shall be applied the balance in the experience account or the  
26 balance in the subaccount of the Texaco Account created pursuant to R.S.  
27 11:542(A)(1)(b)(iii).

28 \* \* \*

29 (4)(a) Except as provided in Paragraph (6) of this Subsection, in any year

1        **before the liquidation of the original amortization base** in which the excess  
2        returns of the system exceed the **primary priority** amount ~~applied to the Original~~  
3        ~~Amortization Base pursuant to Subparagraph (B)(4)(a) of this Section, the remaining~~  
4        ~~excess returns, up to the next fifty million dollars for the June 30, 2015, valuation,~~  
5        **the secondary allocation** shall be applied to the experience account amortization  
6        base established in this Subsection. ~~The maximum amount of excess returns to be~~  
7        ~~applied in any subsequent year pursuant to the provisions of this Subparagraph shall~~  
8        ~~equal the prior year's maximum amount increased by the percentage increase in the~~  
9        ~~system's actuarial value of assets for the preceding year, if any. In the year in which~~  
10       ~~the original amortization base is liquidated and for each year thereafter until~~  
11       ~~the experience account amortization base is liquidated, the secondary allocation~~  
12       ~~shall be applied to the experience account amortization base.~~

13            (b) ~~For any payment made pursuant to the provisions of this Paragraph, if the~~  
14        ~~system is eighty-five percent funded or greater prior to the application of the funds,~~  
15        ~~the net remaining liability shall be reamortized over the remaining amortization~~  
16        ~~period with annual payments calculated as provided in this Subsection or as~~  
17        ~~otherwise provided by law; if the system is less than eighty-five percent funded prior~~  
18        ~~to application of the funds, the net remaining liability shall not be reamortized after~~  
19        ~~such application.~~

20            (5) Notwithstanding the provisions of R.S. 11:102(B)(3)(c) and (5) or any  
21        other provision of law to the contrary, in any year from Fiscal Year 2017-2018  
22        through Fiscal Year 2039-2040 in which the system receives an overpayment of  
23        employer contributions as determined pursuant to R.S. 11:102(B)(2) and in any year  
24        from Fiscal Year 2017-2018 through Fiscal Year 2039-2040 in which the system  
25        receives additional contributions pursuant to R.S. 11:102(B)(5), the amount of such  
26        overpayment or additional contribution shall be applied to the remaining balance of  
27        the experience account amortization base established pursuant to this Subsection. ~~For~~  
28        ~~any payment made pursuant to the provisions of this Paragraph, if the system is~~  
29        ~~eighty-five percent funded or greater prior to the application of the funds, the net~~

1 remaining liability shall be reamortized over the remaining amortization period with  
 2 annual payments calculated as provided in this Subsection or as otherwise provided  
 3 by law; if the system is less than eighty-five percent funded prior to application of  
 4 the funds, the net remaining liability shall not be reamortized after such application.

5 (6) For the June 30, 2014, 2014 valuation, if the excess returns of the system  
 6 exceed the amount applied to the original amortization base pursuant to  
 7 Subparagraph (B)(6) of this Section, the remaining excess returns, up to the next  
 8 twenty-five million dollars, shall be applied to the remaining balance of the  
 9 experience account amortization base established in this Subsection, without  
 10 reamortization of such base.

11 **D.(1) If both the original amortization base and the experience account**  
 12 **amortization base have been liquidated, the residual allocation shall be applied**  
 13 **to the system's oldest outstanding positive amortization base, excluding any**  
 14 **liability established pursuant to R.S. 11:102(B)(2)(a) or (3)(c) or (C)(6)(c) until**  
 15 **all such bases are completely liquidated. After the final base is completely**  
 16 **liquidated, the assets shall be treated as provided in R.S. 11:102(B)(4).**

17 **(2) If there are multiple positive bases of the same age and the same**  
 18 **duration, all such bases shall be collapsed into a single base for purposes of this**  
 19 **Subsection.**

20 **(3) If there are multiple positive bases of the same age but of different**  
 21 **durations, the oldest outstanding positive amortization base with the shortest**  
 22 **remaining amortization period shall be treated as the "oldest" for purposes of**  
 23 **this Subsection.**

24 §102.2. Consolidation of amortization Amortization payment schedules; **priority**  
 25 **excess return allocations;** Teachers' Retirement System of Louisiana

26 A. \* \* \*

27 **(4) For purposes of this Section, the following shall apply:**

28 **(a) "Primary priority amount" shall mean the maximum amount of**  
 29 **system returns in excess of the system's actuarially-assumed rate of return that**

1 may be applied to the original amortization base, regardless of whether actual  
2 returns that equal or exceed the maximum are available, and shall equal:

3 (i) For the June 30, 2015 valuation, one hundred million dollars.

4 (ii) For each valuation thereafter, the prior year's primary priority  
5 amount increased by the percentage increase in the system's actuarial value of  
6 assets for the prior year, if any.

7 (b) "Primary allocation" shall mean the actual returns available for  
8 application to the original amortization base.

9 (c) "Secondary priority amount" shall mean the maximum amount of  
10 system returns in excess of the system's actuarially-assumed rate of return that  
11 may be applied to the experience account amortization base, regardless of  
12 whether actual returns that equal or exceed the maximum are available, and  
13 shall equal:

14 (i) For the June 30, 2015 valuation, one hundred million dollars.

15 (ii) For each valuation thereafter, before the original amortization base  
16 is liquidated, the prior year's secondary priority amount increased by the  
17 percentage increase in the system's actuarial value of assets for the prior year,  
18 if any.

19 (iii) For the valuation in which the original amortization base is  
20 liquidated, that year's secondary priority amount calculated pursuant to Item  
21 (ii) of this Subparagraph plus any money from that year's primary priority  
22 amount remaining after liquidation of the original amortization base.

23 (iv) For the first valuation after the original amortization base is  
24 liquidated, the portion of the prior year's primary priority amount that was  
25 necessary to liquidate the original amortization base plus the prior year's  
26 secondary priority amount, both increased by the percentage increase in the  
27 system's actuarial value of assets for the prior year, if any.

28 (v) For the second valuation after the original amortization base is  
29 liquidated and for each valuation thereafter, the prior year's secondary priority

1 amount increased by the percentage increase in the system's actuarial value of  
2 assets for the prior year, if any.

3 (d) "Secondary allocation" shall mean the actual returns available for  
4 application to the experience account amortization base.

5 (e) "Residual priority amount" shall mean the maximum amount of  
6 system returns in excess of the system's actuarially-assumed rate of return that  
7 may be applied to the oldest outstanding positive amortization base after  
8 liquidation of the experience account amortization base, regardless of whether  
9 actual returns that equal or exceed the maximum are available, and shall equal:

10 (i) For the valuation in which the experience account amortization base  
11 is liquidated, the money from that year's secondary allocation remaining after  
12 liquidation of the experience account amortization base, if any.

13 (ii) For the first valuation after the experience account amortization base  
14 is liquidated, the prior year's secondary priority amount, increased by the  
15 percentage increase in the system's actuarial value of assets for the prior year,  
16 if any.

17 (iii) For the second valuation after the experience account amortization  
18 base is liquidated and for each valuation thereafter, the prior year's residual  
19 priority amount increased by the percentage increase in the system's actuarial  
20 value of assets for the prior year, if any.

21 (f) "Residual allocation" shall mean the actual returns available for  
22 application to the oldest outstanding positive amortization base after liquidation  
23 of the experience account amortization base.

24 (g) In no event shall the total of one year's priority amounts be less than  
25 the total of the previous year's priority amounts.

26 (h) Notwithstanding Subparagraph (i) of this Paragraph, effective for the  
27 June thirtieth valuation following the fiscal year in which the system first  
28 attains a funded percentage of eighty or more pursuant to R.S. 11:883.1 and for  
29 each valuation thereafter, the net remaining liability of the amortization base

1 to which the funds are applied shall be reamortized with annual level dollar  
2 payments calculated as provided in R.S. 11:102 over the remainder of the  
3 amortization period originally established for that amortization base.

4 (i) Beginning with the 2019-2020 Fiscal Year and every fifth fiscal year  
5 thereafter, the remaining liability net of all payments made since the last  
6 reamortization shall be reamortized over the remainder of the amortization  
7 period originally established for that amortization base with annual payments  
8 calculated as provided for in this Section.

9 (j) Except as provided in Subparagraphs (h) and (i) of this Paragraph  
10 and in Item (B)(3)(a)(iv) and Subparagraph (C)(3)(d) of this Section, the net  
11 remaining liability of the amortization base to which the funds are applied shall  
12 not be reamortized after such application.

13 B. Original amortization base.

14 \* \* \*

15 (3)(a) This consolidated amortization base shall be known as the "original  
16 amortization base" and shall be amortized with annual payments calculated as  
17 follows:

18 \* \* \*

19 (iv) Notwithstanding any provision of this Section to the contrary, the net  
20 remaining liability shall be reamortized over the remainder of the amortization  
21 period ending in 2029 in the first valuation after the 2019-2020 Fiscal Year for  
22 which this reamortization results in annual level dollar payments that do not  
23 exceed the payment otherwise required for that valuation.

24 \* \* \*

25 (4)(a) Except as provided in Paragraph (5) of this Subsection, in any year in  
26 which the system exceeds its actuarially-assumed rate of return, ~~the excess returns,~~  
27 ~~up to the first one hundred million dollars for the June 30, 2015, valuation,~~ the  
28 primary allocation shall be applied to the remaining balance of the original  
29 amortization base established in this Subsection. ~~The maximum amount of excess~~

1        ~~returns to be applied in any subsequent year pursuant to the provisions of this~~  
 2        ~~Subparagraph shall equal the prior year's maximum amount increased by the~~  
 3        ~~percentage increase in the system's actuarial value of assets for the preceding year,~~  
 4        ~~if any.~~

5                (b) ~~For any payment made pursuant to the provisions of this Paragraph, if the~~  
 6        ~~system is eighty-five percent funded or greater prior to the application of the funds,~~  
 7        ~~the net remaining liability shall be reamortized over the remaining amortization~~  
 8        ~~period with annual payments calculated as provided in this Subsection or as~~  
 9        ~~otherwise provided by law; if the system is less than eighty-five percent funded prior~~  
 10       ~~to application of the funds, the net remaining liability shall not be reamortized after~~  
 11       ~~such application.~~

12                (5) For the June 30, 2014, 2014 valuation, if the system exceeds its  
 13        actuarially-assumed rate of return, the excess returns, up to the first fifty million  
 14        dollars, shall be applied to the remaining balance of the original amortization base  
 15        established in this Subsection, without reamortization of such base.

16                C. Experience account amortization base.

17                                \*        \*        \*

18                (2) To this shall be applied the balance in the experience account or the  
 19        balance in the subaccount of the Texaco Account created pursuant to R.S.  
 20        11:883.1(A)(1)(b)(iii).

21                                \*        \*        \*

22                (4)(a) Except as provided in Paragraph (6) of this Subsection, in any year  
 23        **before the liquidation of the original amortization base** in which the excess  
 24        returns of the system exceed the **primary priority** amount applied to the Original  
 25        Amortization Base pursuant to Subparagraph (B)(4)(a) of this Section, the remaining  
 26        excess returns, up to the next one hundred million dollars for the June 30, 2015,  
 27        valuation, **the secondary allocation** shall be applied to the experience account  
 28        amortization base established in this Subsection. ~~The maximum amount of excess~~  
 29        ~~returns to be applied in any subsequent year pursuant to the provisions of this~~

1           ~~Subparagraph shall equal the prior year's maximum amount increased by the~~  
2           ~~percentage increase in the system's actuarial value of assets for the preceding year,~~  
3           ~~if any.~~ **In the year in which the original amortization base is liquidated and for**  
4           ~~each year thereafter until the experience account amortization base is~~  
5           ~~liquidated, the secondary allocation shall be applied to the experience account~~  
6           ~~amortization base.~~

7                   (b) ~~For any payment made pursuant to the provisions of this Paragraph, if the~~  
8           ~~system is eighty-five percent funded or greater prior to the application of the funds,~~  
9           ~~the net remaining liability shall be reamortized over the remaining amortization~~  
10           ~~period with annual payments calculated as provided in this Subsection or as~~  
11           ~~otherwise provided by law; if the system is less than eighty-five percent funded prior~~  
12           ~~to application of the funds, the net remaining liability shall not be reamortized after~~  
13           ~~such application.~~

14                   (5) Notwithstanding the provisions of R.S. 11:102(B)(3)(c) and (5) or any  
15           other provision of law to the contrary, in any year from Fiscal Year 2009-2010  
16           through Fiscal Year 2039-2040 in which the system receives an overpayment of  
17           employer contributions as determined pursuant to R.S. 11:102(B)(2) and in any year  
18           from Fiscal Year 2009-2010 through Fiscal Year 2039-2040 in which the system  
19           receives additional contributions pursuant to R.S. 11:102(B)(5), the amount of such  
20           overpayment or additional contribution shall be applied to the remaining balance of  
21           the experience account amortization base established pursuant to this Subsection. ~~For~~  
22           ~~any payment made pursuant to the provisions of this Paragraph, if the system is~~  
23           ~~eighty-five percent funded or greater prior to the application of the funds, the net~~  
24           ~~remaining liability shall be reamortized over the remaining amortization period with~~  
25           ~~annual payments calculated as provided in this Subsection or as otherwise provided~~  
26           ~~by law; if the system is less than eighty-five percent funded prior to application of~~  
27           ~~the funds, the net remaining liability shall not be reamortized after such application.~~

28                   (6) For the June 30, 2014, **2014** valuation, if the excess returns of the system  
29           exceed the amount applied to the original amortization base pursuant to

1 Subparagraph (B)(5) of this Section, the remaining excess returns, up to the next fifty  
2 million dollars, shall be applied to the remaining balance of the experience account  
3 amortization base established in this Subsection, without reamortization of such  
4 base.

5 **D.(1) If both the original amortization base and the experience account**  
6 **amortization base have been liquidated, the residual allocation shall be applied**  
7 **to the system's oldest outstanding positive amortization base, excluding any**  
8 **liability established pursuant to R.S. 11:102(B)(2)(a) or (3)(c) or (D)(6)(c), until**  
9 **all such bases are completely liquidated. After the final base is completely**  
10 **liquidated, the assets shall be treated as provided in R.S. 11:102(B)(4).**

11 **(2) If there are multiple positive bases of the same age and the same**  
12 **duration, all such bases shall be collapsed into a single base for purposes of this**  
13 **Subsection.**

14 **(3) If there are multiple positive bases of the same age but of different**  
15 **durations, the oldest outstanding positive amortization base with the shortest**  
16 **remaining amortization period shall be treated as the "oldest" for purposes of**  
17 **this Subsection.**

18 **§102.3. Priority excess return allocations; Louisiana School Employees'**

19 **Retirement System**

20 **A. For purposes of this Section, the following shall apply:**

21 **(1) "Priority amount" shall mean the maximum amount of system**  
22 **returns in excess of the system's actuarially-assumed rate of return that may be**  
23 **applied to the oldest outstanding positive amortization base, regardless of**  
24 **whether actual returns that equal or exceed the maximum are available, and**  
25 **shall equal:**

26 **(a) For the June 30, 2015 valuation, fifteen million dollars.**

27 **(b) For each valuation thereafter, the prior year's priority amount**  
28 **increased by the percentage increase in the system's actuarial value of assets for**  
29 **the prior year, if any.**

1           (2) "Priority allocation" shall mean the actual returns available for  
2           application to the oldest outstanding positive amortization base.

3           (3) For any valuation in which the oldest outstanding positive  
4           amortization base is liquidated without using the full amount of the priority  
5           allocation, the remaining amount from that year's priority allocation after  
6           liquidation of the oldest base shall be applied to the next oldest base.

7           (4) In no event shall one year's priority amount be less than the previous  
8           year's priority amount.

9           (5) Notwithstanding Paragraph (6) of this Subsection, effective for the  
10          June thirtieth valuation following the fiscal year in which the system first  
11          attains a funded percentage of eighty or more pursuant to R.S. 11:1145.1 and  
12          for each valuation thereafter, the net remaining liability of the amortization  
13          base to which the funds are applied shall be reamortized with annual level  
14          dollar payments calculated as provided in R.S. 11:102 over the remainder of the  
15          amortization period originally established for that amortization base.

16          (6) Beginning with the 2019-2020 Fiscal Year and every fifth fiscal year  
17          thereafter, the remaining liability net of all payments made since the last  
18          reamortization shall be reamortized over the remainder of the amortization  
19          period originally established for that amortization base with annual payments  
20          calculated as provided for in this Section.

21          (7) Except as provided in Paragraphs (5) and (6) of this Subsection, the  
22          net remaining liability of the amortization base to which the funds are applied  
23          shall not be reamortized after such application.

24          B.(1) Effective for the June 30, 2015 valuation and for each valuation  
25          thereafter, if the system's investment experience for the fiscal year exceeds the  
26          system's actuarially-assumed rate of return, the system shall apply the priority  
27          allocation to the oldest outstanding positive amortization base of the system,  
28          excluding any amortization base established to amortize a liability pursuant to  
29          R.S. 11:102(B)(2)(a) or (3)(c) until all such bases are completely liquidated.

1 After the final base is completely liquidated, the assets shall be treated as  
2 provided in R.S. 11:102(B)(4).

3 (2) If there are multiple positive bases of the same age and the same  
4 duration, all such bases shall be collapsed into a single base for purposes of this  
5 Subsection.

6 (3) If there are multiple positive bases of the same age but of different  
7 durations, the oldest outstanding positive amortization base with the shortest  
8 remaining amortization period shall be treated as the "oldest" for purposes of  
9 this Subsection.

10 C. Effective for the June 30, 2004 valuation, if the systems' investment  
11 experience for the fiscal year exceeds the system's actuarially-assumed rate of  
12 return, the system shall apply the excess investment experience returns, up to  
13 a maximum of the first seven and one-half million dollars, to the oldest  
14 outstanding positive amortization base of the system, excluding any  
15 amortization base established to amortize a liability pursuant to R.S.  
16 11:102(B)(2)(a) or (3)(c) without reamortization of such base.

17 §102.4. Priority excess return allocations; State Police Retirement System

18 A. For purposes of this Section, the following shall apply:

19 (1) "Priority amount" shall mean the maximum amount of system  
20 returns in excess of the system's actuarially-assumed rate of return that may be  
21 applied to the oldest outstanding positive amortization base, regardless of  
22 whether actual returns that equal or exceed the maximum are available, and  
23 shall equal:

24 (a) For the June 30, 2015 valuation, five million dollars.

25 (b) For each valuation thereafter, the prior year's priority amount  
26 increased by the percentage increase in the system's actuarial value of assets for  
27 the prior year, if any.

28 (2) "Priority allocation" shall mean the actual returns available for  
29 application to the oldest outstanding positive amortization base.

1           (3) For any valuation in which the oldest outstanding positive  
2           amortization base is liquidated without using the full amount of the priority  
3           allocation, the remaining amount from that year's priority allocation after  
4           liquidation of the oldest base shall be applied to the next oldest base.

5           (4) In no event shall one year's priority amount be less than the previous  
6           year's priority amount.

7           (5) Notwithstanding Paragraph (6) of this Subsection, effective for the  
8           June thirtieth valuation following the fiscal year in which the system first  
9           attains a funded percentage of eighty or more pursuant to R.S. 11:1332 and for  
10           each valuation thereafter, the net remaining liability of the amortization base  
11           to which the funds are applied shall be reamortized with annual level dollar  
12           payments calculated as provided in R.S. 11:102 over the remainder of the  
13           amortization period originally established for that amortization base.

14           (6) Beginning with the 2019-2020 Fiscal Year and every fifth fiscal year  
15           thereafter, the remaining liability net of all payments made since the last  
16           reamortization shall be reamortized over the remainder of the amortization  
17           period originally established for that amortization base with annual payments  
18           calculated as provided for in this Section.

19           (7) Except as provided in Paragraphs (5) and (6) of this Subsection, the  
20           net remaining liability of the amortization base to which the funds are applied  
21           shall not be reamortized after such application.

22           B.(1) Effective for the June 30, 2015 valuation and for each valuation  
23           thereafter, if the system's investment experience for the fiscal year exceeds the  
24           system's actuarially-assumed rate of return, the system shall apply the priority  
25           allocation to the oldest outstanding positive amortization base of the system,  
26           excluding any amortization base established to amortize a liability pursuant to  
27           R.S. 11:102(B)(2)(a) or (3)(c) until all such bases are completely liquidated.  
28           After the final base is completely liquidated, the assets shall be treated as  
29           provided in R.S. 11:102(B)(4).

1           (2) If there are multiple positive bases of the same age and the same  
 2           duration, all such bases shall be collapsed into a single base for purposes of this  
 3           Subsection.

4           (3) If there are multiple positive bases of the same age but of different  
 5           durations, the oldest outstanding positive amortization base with the shortest  
 6           remaining amortization period shall be treated as the "oldest" for purposes of  
 7           this Subsection.

8           C. Effective for the June 30, 2014 valuation, if the system's investment  
 9           experience for the fiscal year exceeds the system's actuarially-assumed rate of  
 10           return, the system shall apply the excess investment experience returns, up to  
 11           a maximum of the first two and one-half million dollars, to the oldest  
 12           outstanding positive amortization base of the system, excluding any  
 13           amortization base established to amortize a liability pursuant to R.S.  
 14           11:102(B)(2)(a) or (3)(c), and without reamortization of such base.

15           §102.5. State systems' 2014 valuation amortization period

16           Notwithstanding any provision of R.S. 11:102 or any other law to the  
 17           contrary, for the June 30, 2014 valuation the amortization period for investment  
 18           gains of the Louisiana State Employees' Retirement System, the Teachers'  
 19           Retirement System of Louisiana, the Louisiana School Employees' Retirement  
 20           System, and the State Police Retirement System not allocated to an amortization  
 21           base pursuant to R.S. 11:102.1, 102.2, 102.3, or 102.4 and not credited to the  
 22           experience account shall be five years.

23           ~~§102.3.~~ §102.6. Review of volatility

24           Following the close of Fiscal Year ~~2018-2019~~ 2016-2017, the future volatility  
 25           of the then-existing schedules of each state system shall be reexamined by staff of  
 26           each system and of the legislature, including actuaries for both. The results of this  
 27           reexamination, which may identify issues to be resolved and include  
 28           recommendations for plan amendments, shall be reported to the Public Retirement  
 29           Systems' Actuarial Committee by November 1, ~~2019~~ 2017. The committee shall

1 review the results and determine what changes to the system plan provisions, if any,  
 2 are advisable. If appropriate, the committee shall make a recommendation to the  
 3 legislature **by December 15, 2017**, on whether and what type of legislation is  
 4 warranted.

5 \* \* \*

6 §542. Experience account

7 A.(1)~~(a)~~ Effective July 1, 2004, the balance in the experience account shall  
 8 be zero.

9 ~~(b)(2)~~ Effective June 30, 2009, the balance in the experience account shall be  
 10 zero. Any funds in the experience account on June 29, 2009, shall be allocated in the  
 11 following order:

12 ~~(i)(a)~~ To provide for any net investment loss attributable to the balance in the  
 13 account as provided in ~~Paragraph (B)(1)~~ **Subparagraph (B)(3)(a)** of this Section.

14 ~~(ii)(b)~~ To fund any permanent benefit increase or minimum benefit pursuant  
 15 to the Act that originated as House Bill No. 586 **Act 144** of the 2009 Regular Session  
 16 of the Legislature.

17 ~~(iii)(c)~~ To apply to the experience account amortization base as provided in  
 18 R.S. 11:102.1(C)(2); however, as of June 30, 2009, these funds shall be transferred  
 19 to the system's Texaco Account and retained in a subaccount of that account until  
 20 that account is applied as provided in R.S. 11:102.1. The subaccount shall continue  
 21 to be credited and debited as provided in ~~Subparagraph (A)(2)(b) and Paragraph~~  
 22 ~~(B)(1)~~ of this Section until such application.

23 **B.(1) Effective for the June 30, 2015 valuation, the system's funded**  
 24 **percentage for purposes of this Section shall be determined before any**  
 25 **allocation to the experience account.**

26 (2) The experience account shall be credited as follows:

27 (a) To the extent permitted by ~~Paragraph (3) of this Subsection~~  
 28 **Subparagraph (c) of this Paragraph** and after allocation to the amortization bases  
 29 as provided in R.S. ~~11:102(B)(3)(d)(v)(bb) and 102.1, as applicable~~ **11:102.1**, an

1 amount not to exceed fifty percent of the remaining balance of the prior year's net  
2 investment experience gain as determined by the system's actuary.

3 (b) To the extent permitted by ~~Paragraph (3) of this Subsection~~  
4 **Subparagraph (c) of this Paragraph**, an amount not to exceed that portion of the  
5 system's net investment income attributable to the balance in the experience account  
6 during the prior year.

7 ~~(3)(a)(c)~~ In no event shall a credit be made to the account that would cause  
8 the balance in the experience account to exceed the reserve necessary to grant:

9 (i) Two permanent benefit increases determined pursuant to Subsection ~~€ D~~  
10 of this Section if the system is **at least** eighty percent funded ~~or greater~~.

11 (ii) One permanent benefit increase as determined pursuant to Subsection ~~€~~  
12 **D** of this Section if the system is less than eighty percent funded.

13 ~~(b)(d)~~ If the system is less than eighty percent funded and **the account** has  
14 reserves in excess of the amounts provided for in Item ~~(a)(ii)~~ **(c)(ii)** of this Paragraph,  
15 ~~it shall not apply credits to the account pursuant to Subparagraph (2)(b) of this~~  
16 ~~Subsection~~ **no amount shall be credited to the account.**

17 ~~B-(3)~~ The experience account shall be debited as follows:

18 ~~(1)(a)~~ An amount equal to that portion of the system's net investment loss  
19 attributable to the balance in the experience account during the prior year.

20 ~~(2)(b)~~ An amount sufficient to fund a permanent benefit increase granted  
21 pursuant to ~~Subsection €~~ **the provisions** of this Section.

22 ~~(3)(c)~~ In no event shall the amount in the experience account fall below zero.

23 C.(1) In accordance with the provisions of this Section, the board of trustees  
24 may recommend to the president of the Senate and the speaker of the House of  
25 Representatives that the system be permitted to grant a permanent benefit increase  
26 to retirees, survivors, and beneficiaries whenever the conditions in this Section are  
27 satisfied ~~and the balance in the experience account is sufficient to fund such benefit~~  
28 ~~fully on an actuarial basis, as determined by the system's actuary. If the legislative~~  
29 ~~auditor's actuary disagrees with the determination of the system's actuary, a~~

1 ~~permanent benefit increase shall not be granted.~~ The board of trustees shall not grant  
2 a permanent benefit increase unless such permanent benefit increase has been  
3 approved by the legislature. ~~Any such permanent benefit increase granted on or~~  
4 ~~before June 30, 2015, shall be limited to and shall only be payable based on an~~  
5 ~~amount not to exceed seventy thousand dollars of the retiree's annual benefit. Any~~  
6 ~~such permanent benefit increase granted on or after July 1, 2015, shall be limited to~~  
7 ~~and shall only be payable based on an amount not to exceed sixty thousand dollars~~  
8 ~~of the retiree's annual benefit. Effective for years after July 1, 1999, and on or before~~  
9 ~~June 30, 2015, the seventy-thousand dollar limit shall be increased each year in an~~  
10 ~~amount equal to any increase in the consumer price index (U.S. city average for all~~  
11 ~~urban consumers (CPI-U)) for the preceding year, if any. Effective on or after July~~  
12 ~~1, 2015, the sixty-thousand dollar limit shall be increased each year in an amount~~  
13 ~~equal to any increase in the consumer price index, (U.S. city average for all urban~~  
14 ~~consumers (CPI-U)) for the twelve-month period ending on the system's valuation~~  
15 ~~date, if any.~~

16 **D.(1) No increase shall be granted if one or more of the following apply:**

17 **(a) The system is less than fifty-five percent funded.**

18 **(b) The system is at least fifty-five percent funded but less than**  
19 **eighty-five percent funded and the legislature granted a benefit increase in the**  
20 **preceding fiscal year.**

21 **(c) The system is less than eighty percent funded and the system fails to**  
22 **earn an actuarial rate of return which exceeds the board-approved actuarial**  
23 **valuation rate.**

24 **(2) Any increase granted pursuant to the provisions of this Section shall begin**  
25 **on the July first following legislative approval, shall be payable annually, and shall**  
26 **equal the amount required pursuant to Subparagraph (a) or (b) of this**  
27 **Paragraph. If the balance in the experience account is not sufficient to fully**  
28 **fund that sum on an actuarial basis as determined by the system actuary in**  
29 **agreement with the legislative auditor's actuary, no increase shall be granted.**

1 **The increase shall** be an amount equal to the lesser of:

2 ~~(a) An amount as determined in Paragraph (2) of this Subsection.~~

3 ~~(b) The increase in the consumer price index, U.S. city average for all urban~~  
4 ~~consumers (CPI-U), as prepared by the U.S. Department of Labor, Bureau of Labor~~  
5 ~~Statistics, for the twelve-month period ending on the system's valuation date if any.~~  
6 ~~If the balance in the experience account is not sufficient to fund that sum, no increase~~  
7 ~~shall be granted.~~

8 ~~(2)(a)(b)(i) If Three percent, if the system is at least eighty percent funded~~  
9 ~~or greater, three percent and the system earns an actuarial rate of return of at~~  
10 ~~least eight and one-quarter percent interest on the investment of the system's~~  
11 ~~assets.~~

12 **(ii) Two and one-half percent if all of the following apply:**

13 ~~(b)(aa) If the The system is at least seventy-five percent funded but less than~~  
14 ~~eighty percent funded and the,~~

15 **(bb) The system earns an actuarial rate of return of at least eight and**  
16 **one-quarter percent interest on the investment of the system's assets.**

17 ~~(cc) The legislature has not granted a benefit increase in the preceding fiscal~~  
18 ~~year, two and one-half percent.~~

19 ~~(e)(iii) If the Two percent, if either of the following applies:~~

20 ~~(aa) The system is at least sixty-five percent funded but less than~~  
21 ~~seventy-five percent funded and the legislature has not granted a benefit increase in~~  
22 ~~the preceding fiscal year, two percent.~~

23 **(bb) The system is at least seventy-five percent funded and the system**  
24 **does not earn an actuarial rate of return of at least eight and one-quarter**  
25 **percent interest on the investment of the system's assets.**

26 ~~(d)(iv) If One and one-half percent if the system is at least fifty-five percent~~  
27 ~~funded but less than sixty-five percent funded and the legislature has not granted a~~  
28 ~~benefit increase in the preceding fiscal year, one and one-half percent.~~

29 ~~(e) If the system is less than fifty-five percent funded or if the system is less~~

1 ~~than eighty-five percent funded but more than fifty-five percent funded and the~~  
2 ~~legislature granted a benefit increase in the preceding fiscal year, no increase shall~~  
3 ~~be granted.~~

4 (3) ~~Subject to the limitations contained in Paragraph (1) of this Subsection,~~  
5 The percentage of each recipient's permanent benefit increase shall be based on the  
6 benefit being paid to the recipient on the effective date of the increase. **increase;**  
7 **however, any such permanent benefit increase granted on or before June 30,**  
8 **2015, shall be limited to and shall be payable based only on an amount not to**  
9 **exceed seventy thousand dollars of the retiree's annual benefit. Additionally,**  
10 **any such permanent benefit increase granted on or after July 1, 2015, shall be**  
11 **limited to and shall be payable based only on an amount not to exceed sixty**  
12 **thousand dollars of the retiree's annual benefit. Effective for years after July 1,**  
13 **1999, and on or before June 30, 2015, the seventy-thousand dollar limit shall be**  
14 **increased each year in an amount equal to any increase in the consumer price**  
15 **index, U.S. city average for all urban consumers (CPI-U) for the preceding year.**  
16 **Effective on or after July 1, 2015, the sixty-thousand dollar limit shall be**  
17 **increased each year in an amount equal to any increase in the consumer price**  
18 **index, U.S. city average for all urban consumers (CPI-U) for the twelve-month**  
19 **period ending on the system's valuation date.**

20 (4)(a) Notwithstanding any provision of this Section to the contrary, in  
21 a year in which the experience account balance is insufficient to fund the  
22 amount required pursuant to Paragraph (2) of this Subsection, the board may  
23 make the recommendation provided in Subsection C of this Section if all of the  
24 following conditions are satisfied:

25 (i) No benefit increase was granted in the preceding fiscal year.

26 (ii) The experience account balance established in the system valuation  
27 for the preceding fiscal year reached its maximum reserve permitted pursuant  
28 to Paragraph (B)(2)(c) of this Section applicable to the system valuation for that  
29 valuation year.

1                    **(iii) The experience account balance established in the system valuation**  
 2                    **for the current fiscal year is insufficient to fund the increase permitted pursuant**  
 3                    **to Paragraph (2) of this Subsection applicable to the system valuation for the**  
 4                    **preceding fiscal year.**

5                    **(iv) All of the insufficiency in the account is attributable to the following:**

6                    **(aa) The growth of the cost of the increase, but only if that growth was**  
 7                    **produced solely by either or both of these events:**

8                    **(I) Changes in the pool of the eligible recipients.**

9                    **(II) The growth in the benefit amount to which the increase applies due**  
 10                   **to the application of the CPI-U pursuant to the provisions of Paragraph (3) of**  
 11                   **this Subsection.**

12                   **(bb) The insufficiency of credits to the account, if any, to cover the**  
 13                   **growth in the cost of the increase.**

14                   **(b) The amount of the increase shall be equal to the amount that the**  
 15                   **balance in the experience account will fully fund rounded to the nearest lower**  
 16                   **one-tenth of one percent.**

17                   ~~(4)(a)~~**E. (1)(a)** Except as provided in Subparagraph (c) of this Paragraph, in  
 18                   order to be eligible for any permanent benefit increase payable on or before June 30,  
 19                   2009, there must be the funds available in the experience account to pay for such an  
 20                   increase, and a retiree:

21                   (i) Shall have received a benefit for at least one year; ~~and.~~

22                   (ii) Shall have attained at least age fifty-five.

23                   (b) Except as provided in Subparagraph (c) of this Paragraph, a nonretiree  
 24                   beneficiary shall be eligible for the permanent benefit increase payable on or before  
 25                   June 30, 2009:

26                   (i) If benefits had been paid to the retiree or the beneficiary, or both  
 27                   combined, for at least one year; ~~and.~~

28                   (ii) In no event before the retiree would have attained age fifty-five.

29                   (c)~~(i)~~ **(a)(ii), (b)(ii), (d)(ii), and (e)(ii)(a)(ii) and**

1 **(b)(ii)** of this Paragraph shall not apply to any person who receives disability benefits  
 2 from this system, or who receives benefits based on the death of a disability retiree  
 3 of this system.

4 ~~(ii) The actuarial cost of implementing the provisions of Acts 2001, No.~~  
 5 ~~1162, shall be paid by debiting the experience account which must have the funds~~  
 6 ~~available in the experience account to pay for such an increase.~~

7 ~~(d)(2)(a)~~ Except as provided in Subparagraph (c) of this Paragraph, in order  
 8 to be eligible for any permanent benefit increase payable on or after July 1, 2009,  
 9 there shall be the funds available in the experience account to pay for such an  
 10 increase, and a retiree:

11 (i) Shall have received a benefit for at least one year; ~~and.~~

12 (ii) Shall have attained at least age sixty.

13 ~~(e)(b)~~ Except as provided in Subparagraph (c) of this Paragraph, a nonretiree  
 14 beneficiary shall be eligible for the permanent benefit increase payable on or after  
 15 July 1, 2009:

16 (i) If benefits had been paid to the retiree or the beneficiary, or both  
 17 combined, for at least one year; ~~and.~~

18 (ii) In no event before the retiree would have attained age sixty.

19 **(c) The provisions of Items (a)(ii) and (b)(ii) of this Paragraph shall not**  
 20 **apply to any person who receives disability benefits from this system, or who**  
 21 **receives benefits based on the death of a disability retiree of this system.**

22 ~~(5)(a) F.(1)~~ **The first normal permanent benefit increase shall be effective**  
 23 **July 1, 1999.**

24 **(2) The actuarial cost of implementing the provisions of Act 1162 of the**  
 25 **2001 Regular Session of the Legislature shall be paid by debiting the experience**  
 26 **account which shall have the funds available in the experience account to pay**  
 27 **for such an increase.**

28 **(3)** Effective September 1, 2001, any retiree receiving a retirement benefit  
 29 shall be entitled to receive, as a permanent benefit increase, a minimum retirement

1 benefit amounting to not less than thirty dollars per month for each year of creditable  
 2 service of the retiree or the maximum benefit earned in accordance with the  
 3 applicable benefit formula selected by the retiree at the time of retirement, whichever  
 4 is greater.

5 ~~(i)~~**(a)** For any retiree who selected or selects an early retirement, an initial  
 6 benefit option, or a retirement option allowing the payment of benefits to a  
 7 beneficiary, there shall be a comparison of both the minimum benefit provided for  
 8 in this Paragraph and the maximum benefit and both such benefits shall be  
 9 actuarially reduced based upon the option selected by the retiree and the current  
 10 board-approved actuarial assumptions prior to the comparison and for the purpose  
 11 of determining which of the two benefit amounts results in the greater amount and  
 12 the greater amount shall be paid to the retiree.

13 ~~(ii)~~**(b)** In order for the minimum benefit provided for in this Paragraph to be  
 14 compared to the annuity being paid to a retiree's named beneficiary, the minimum  
 15 benefit shall be reduced based on the option in effect and the current board-approved  
 16 actuarial assumptions. After reducing the minimum benefit provided for in this Item,  
 17 the reduced minimum benefit shall be compared to the beneficiary's annuity, and the  
 18 beneficiary shall be paid the greater of the beneficiary's reduced minimum benefit  
 19 or the amount of the beneficiary's annuity being paid at the time of the comparison.

20 ~~(b)~~**(c)** The minimum benefits provided for in this Paragraph shall apply to all  
 21 retired members and beneficiaries receiving annuity payments or benefits on  
 22 September 1, 2001, and to all members retiring on and after September 1, 2001, and  
 23 to all beneficiaries receiving annuity payments on and after September 1, 2001, and  
 24 all such payments shall be funded by debiting the experience account.

25 \* \* \*

26 §883.1. Experience account

27 A.(1)~~(a)~~ Effective July 1, 2004, the balance in the experience account shall  
 28 be zero.

29 ~~(b)~~**(2)** Effective June 30, 2009, the balance in the experience account shall be

1 zero. Any funds in the account on June 29, 2009, shall be allocated in the following  
2 order:

3 ~~(i)(a)~~ **(a)** To provide for any net investment loss attributable to the balance in the  
4 account as provided in ~~Paragraph (B)(1)~~ **Subparagraph (B)(3)(a)** of this Section.

5 ~~(ii)(b)~~ **(b)** To fund any permanent benefit increase or minimum benefit pursuant  
6 to ~~the Act that originated as House Bill No. 586~~ **Act 144** of the 2009 Regular Session  
7 of the Legislature.

8 ~~(iii)(c)~~ **(c)** To apply to the experience account amortization base as provided in  
9 R.S. 11:102.2(C)(2); however, as of June 30, 2009, these funds shall be transferred  
10 to the system's Texaco Account and retained in a subaccount of that account until  
11 that account is applied as provided in R.S. 11:102.2. The subaccount shall continue  
12 to be credited and debited as provided in ~~Subparagraph (A)(2)(b) and Paragraph~~  
13 ~~(B)(1)~~ of this Section until such application.

14 **B.(1) Effective for the June 30, 2015 valuation, the system's funded**  
15 **percentage for purposes of this Section shall be determined before any**  
16 **allocation to the experience account.**

17 (2) The experience account shall be credited as follows:

18 (a) To the extent permitted by **Subparagraph (c) of this** Paragraph ~~(3)~~ of this  
19 ~~Subsection~~ and after allocation to the amortization bases as provided in R.S.  
20 ~~11:102(B)(3)(d)(vii)(bb) and 102.2, as applicable~~ **11:102.2**, an amount not to exceed  
21 fifty percent of the remaining balance of the prior year's net investment experience  
22 gain as determined by the system's actuary.

23 (b) To the extent permitted by **Subparagraph (c) of this** Paragraph ~~(3)~~ of  
24 ~~this Subsection~~, an amount not to exceed that portion of the system's net investment  
25 income attributable to the balance in the experience account during the prior year.

26 ~~(3)(a)(c)~~ **(c)** In no event shall a credit be made to the account that would cause  
27 the balance in the experience account to exceed the reserve necessary to grant ~~either~~  
28 ~~of the following~~:

29 (i) Two permanent benefit increases determined pursuant to Subsection ~~E~~ **D**

1 of this Section if the system is **at least** eighty percent funded ~~or greater~~.

2 (ii) One permanent benefit increase as determined pursuant to Subsection ~~€~~  
3 **D** of this Section if the system is less than eighty percent funded.

4 ~~(b)(d)~~ If the system is less than eighty percent funded and **the account** has  
5 reserves in excess of the amounts provided for in Item ~~(a)(ii)~~ **(c)(ii)** of this Paragraph,  
6 it shall not apply credits to the account pursuant to Subparagraph ~~(2)(b)~~ of this  
7 Subsection **no amount shall be credited to the account**.

8 ~~B.(3)~~ The experience account shall be debited as follows:

9 ~~(1)(a)~~ An amount equal to that portion of the system's net investment loss  
10 attributable to the balance in the experience account during the prior year.

11 ~~(2)(b)~~ An amount sufficient to fund a permanent benefit increase granted  
12 pursuant to Subsection ~~€~~ **the provisions** of this Section.

13 ~~(3)(c)~~ In no event shall the amount in the experience account fall below zero.

14 C.~~(1)~~ In accordance with the provisions of this Section, the board of trustees  
15 may recommend to the president of the Senate and the speaker of the House of  
16 Representatives that the system be permitted to grant a permanent benefit increase  
17 to retirees and beneficiaries whenever the conditions in this Section are satisfied ~~and~~  
18 ~~the balance in the experience account is sufficient to fund such benefit fully on an~~  
19 ~~actuarial basis, as determined by the system's actuary. If the legislative auditor's~~  
20 ~~actuary disagrees with the determination of the system's actuary, a permanent benefit~~  
21 ~~increase shall not be granted. The board of trustees shall not grant a permanent~~  
22 ~~benefit increase unless such permanent benefit increase has been approved by the~~  
23 ~~legislature.~~

24 **D.(1) No increase shall be granted if one or more of the following apply:**

25 **(a) The system is less than fifty-five percent funded.**

26 **(b) The system is at least fifty-five percent funded but less than**  
27 **eighty-five percent funded and the legislature granted a benefit increase in the**  
28 **preceding fiscal year.**

29 **(c) The system is less than eighty percent funded and the system fails to**

1 earn an actuarial rate of return which exceeds the board-approved actuarial  
 2 valuation rate.

3 (2) Any increase granted pursuant to the provisions of this Section shall begin  
 4 on the July first following legislative approval, shall be payable annually, and shall  
 5 equal the amount required pursuant to Subparagraph (a) or (b) of this  
 6 Paragraph. If the balance in the experience account is not sufficient to fully  
 7 fund that sum on an actuarial basis as determined by the system actuary in  
 8 agreement with the legislative auditor's actuary, no increase shall be granted.  
 9 The increase shall be an amount equal to the lesser of:

10 (a) ~~An amount as determined in Paragraph (2) of this Subsection.~~

11 ~~(b) The increase in the consumer price index, U.S. city average for all urban~~  
 12 ~~consumers (CPI-U), as prepared by the U.S. Department of Labor, Bureau of Labor~~  
 13 ~~Statistics, for the twelve-month period ending on the system's valuation date, if any.~~  
 14 ~~If the balance in the experience account is not sufficient to fund that sum, no increase~~  
 15 ~~shall be granted.~~

16 ~~(2)(a)(b)(i) If~~ **Three percent if** the system is **at least** eighty percent funded  
 17 ~~or greater, three percent~~ **and the system earns an actuarial rate of return of at**  
 18 **least eight and one-quarter percent interest on the investment of the system's**  
 19 **assets.**

20 ~~(b)(ii) If the~~ **Two and one-half percent, if all of the following apply:**

21 **(aa) The** system is at least seventy-five percent funded but less than eighty  
 22 percent funded ~~and the,~~

23 **(bb) The system earns an actuarial rate of return of at least eight and**  
 24 **one-quarter percent interest on the investment of the system's assets.**

25 **(cc) The** legislature has not granted a benefit increase in the preceding fiscal  
 26 year, ~~two and one-half percent.~~

27 ~~(e)(iii) If the~~ **Two percent, if either of the following applies:**

28 **(aa) The** system is at least sixty-five percent funded but less than  
 29 seventy-five percent funded and the legislature has not granted a benefit increase in

1 the preceding fiscal year, ~~two percent.~~

2 **(bb) The system is at least seventy-five percent funded and the system**  
 3 **does not earn an actuarial rate of return of at least eight and one-quarter**  
 4 **percent interest on the investment of the system's assets.**

5 ~~(d)(iv) If **One and one-half percent, if** the system is at least fifty-five~~  
 6 ~~percent funded but less than sixty-five percent funded and the legislature has not~~  
 7 ~~granted a benefit increase in the preceding fiscal year, ~~one and one-half percent.~~~~

8 ~~(e) If the system is less than fifty-five percent funded or if the system is less~~  
 9 ~~than eighty-five percent funded but more than fifty-five percent funded and the~~  
 10 ~~legislature granted a benefit increase in the preceding fiscal year, no increase shall~~  
 11 ~~be granted.~~

12 (3) ~~Subject to the limitations contained in Subsection F of this Section, the~~  
 13 **The** percentage of each recipient's permanent benefit increase shall be based on the  
 14 benefit being paid to the recipient on the effective date of the increase.

15 **(a) Any such permanent benefit increase granted on or before June 30,**  
 16 **2015, shall be limited to and shall be payable based only on an amount not to**  
 17 **exceed seventy thousand dollars of the retiree's annual benefit. The seventy**  
 18 **thousand dollar limit shall be increased each year in an amount equal to any**  
 19 **increase in the consumer price index, U.S. city average for all urban consumers**  
 20 **(CPI-U) for the preceding year.**

21 **(b) Any such permanent benefit increase granted on or after July 1,**  
 22 **2015, shall be limited to and shall be payable based only on an amount not to**  
 23 **exceed sixty thousand dollars of the retiree's annual benefit. Effective on or**  
 24 **after July 1, 2015, the sixty thousand dollar limit shall be increased each year**  
 25 **in an amount equal to any increase in the consumer price index, U.S. city**  
 26 **average for all urban consumers (CPI-U) for the twelve-month period ending**  
 27 **on the system's valuation date.**

28 **(4)(a) Notwithstanding any provision of this Section to the contrary, in**  
 29 **a year in which the experience account balance is insufficient to fund the**

1 amount required pursuant to Paragraph (2) of this Subsection, the board may  
2 make the recommendation provided in Subsection C of this Section if all of the  
3 following conditions are satisfied:

4 (i) No benefit increase was granted in the preceding fiscal year.

5 (ii) The experience account balance established in the system valuation  
6 for the preceding fiscal year reached its maximum reserve permitted pursuant  
7 to Subparagraph (B)(2)(c) of this Section applicable to the system valuation for  
8 that valuation year.

9 (iii) The experience account balance established in the system valuation  
10 for the current fiscal year is insufficient to fund the increase permitted pursuant  
11 to Paragraph (2) of this Subsection applicable to the system valuation for the  
12 preceding fiscal year.

13 (iv) All of the insufficiency in the account is attributable to the following:

14 (aa) The growth of the cost of the increase, but only if that growth was  
15 produced solely by either or both of these events:

16 (I) Changes in the pool of the eligible recipients.

17 (II) The growth in the benefit amount to which the increase applies due  
18 to the application of the CPI-U pursuant to the provisions of Paragraph (3) of  
19 this Subsection.

20 (bb) The insufficiency of credits to the account, if any, to cover the  
21 growth in the cost of the increase.

22 (b) The amount of the increase shall be equal to the amount that the  
23 balance in the experience account will fully fund rounded to the nearest lower  
24 one-tenth of one percent.

25 ~~(4)(a)~~ E.(1)(a) Except as provided in Subparagraph (c) of this Paragraph, in  
26 order to be eligible for any permanent benefit increase payable on or before June 30,  
27 2009, there must be the funds available in the experience account to pay for such an  
28 increase, and a retiree:

29 (i) Shall have received a benefit for at least one year; ~~and,~~

1 (ii) Shall have attained at least age fifty-five.

2 (b) Except as provided in Subparagraph (c) of this Paragraph, a nonretiree  
3 beneficiary shall be eligible for the permanent benefit increase payable on or before  
4 June 30, 2009:

5 (i) If benefits had been paid to the retiree or the beneficiary, or both  
6 combined, for at least one year; ~~and.~~

7 (ii) In no event before the retiree would have attained age fifty-five.

8 (c)(~~r~~) The provisions of Items ~~(a)(ii), (b)(ii), (d)(ii), and (e)(ii)~~ **(a)(ii) and**  
9 **(b)(ii)** of this Paragraph shall not apply to any person who receives disability benefits  
10 from this system, or who receives benefits based on the death of a disability retiree  
11 of this system.

12 ~~(ii) The actuarial cost of implementing the provisions of Acts 2001, No.~~  
13 ~~1162, shall be paid by debiting the experience account which must have the funds~~  
14 ~~available in the experience account to pay for such an increase.~~

15 ~~(d)(2)(a)~~ Except as provided in Subparagraph (c) of this Paragraph, in order  
16 to be eligible for any permanent benefit increase payable on or after July 1, 2009,  
17 there shall be the funds available in the experience account to pay for such an  
18 increase, and a retiree:

19 (i) Shall have received a benefit for at least one year; ~~and.~~

20 (ii) Shall have attained at least age sixty.

21 ~~(e)(b)~~ Except as provided in Subparagraph (c) of this Paragraph, a nonretiree  
22 beneficiary shall be eligible for the permanent benefit increase payable on or after  
23 July 1, 2009:

24 (i) If benefits had been paid to the retiree or the beneficiary, or both  
25 combined, for at least one year; ~~and.~~

26 (ii) In no event before the retiree would have attained age sixty.

27 **(c) The provisions of Items (a)(ii) and (b)(ii) of this Paragraph shall not**  
28 **apply to any person who receives disability benefits from this system, or who**  
29 **receives benefits based on the death of a disability retiree of this system.**

1 F.(1) The first normal permanent benefit increase shall be effective July  
2 1, 1999.

3 (2) The actuarial cost of implementing the provisions of Act 1162 of the  
4 2001 Regular Session of the Legislature shall be paid by debiting the experience  
5 account which shall have the funds available in the experience account to pay  
6 for such an increase.

7 ~~(5)(a)~~**(3)** On December 1, 2001, the board of trustees shall grant a one-time  
8 cost-of-living adjustment to:

9 ~~(i)~~**(a)** Each retiree who had twenty-five years of service credit, exclusive of  
10 unused leave, or a disability retiree regardless of the number of years of service  
11 credit, and had been receiving a benefit for at least fifteen years on December 1,  
12 2001; ~~and,~~

13 ~~(ii)~~**(b)** Each nonretiree beneficiary receiving a benefit on December 1, 2001,  
14 if the deceased member had twenty-five years of service credit exclusive of unused  
15 leave, or was a disability retiree regardless of the number of years of service credit,  
16 and the retiree and nonretiree beneficiary, or both combined, had received a benefit  
17 for at least fifteen years.

18 ~~(b)~~**(c)** The one-time adjustment payable to each recipient shall equal an  
19 amount up to but not exceeding two hundred dollars a month, but the total monthly  
20 benefit of any such recipient resulting from this adjustment shall not exceed one  
21 thousand dollars.

22 \* \* \*

23 §927. Contributions

24 \* \* \*

25 B. \* \* \*

26 (2)(a) Beginning July 1, 2014, and continuing through ~~fiscal year~~ **Fiscal Year**  
27 2017-2018, each higher education board created by Article VIII of the Constitution  
28 of Louisiana and each employer institution and agency under its supervision and  
29 control shall contribute to the Teachers' Retirement System of Louisiana on behalf

1 of each participant in the optional retirement plan the sum of:

2 (i) The amounts calculated pursuant to R.S. ~~11:102(D)(4)(b)~~,  
3 **11:102(D)(6)(b)**, (c), and (d).

4 \* \* \*

5 (b) Beginning July 1, 2018, each higher education board created by Article  
6 VIII of the Constitution of Louisiana and each employer institution and agency under  
7 its supervision and control shall contribute to the Teachers' Retirement System of  
8 Louisiana on behalf of each participant in the optional retirement plan the sum of:

9 (i) The amounts calculated pursuant to R.S. ~~11:102(D)(4)(b)~~,  
10 **11:102(D)(6)(b)**, (c), and (d).

11 \* \* \*

12 (3)(a) Beginning July 1, 2014, for ~~all employers~~ **each employer** that ~~are~~ **is**  
13 not a higher education board created by Article VIII of the Constitution of Louisiana  
14 or an employer institution under the supervision and control of such a board, each  
15 such employer institution and board shall contribute to the Teachers' Retirement  
16 System of Louisiana on behalf of each participant in the optional retirement plan the  
17 greater of:

18 (i) The amount it would have contributed if the participant were a member  
19 of the regular retirement plan of the Teachers' Retirement System of Louisiana  
20 pursuant to R.S. ~~11:102(D)(1)~~ **11:102(D)(3)**.

21 (ii) The sum of the amounts calculated pursuant to R.S. ~~11:102(D)(4)(b)~~,  
22 **11:102(D)(6)(b)**, (c), and (d) plus six and two-tenths percent of pay.

23 \* \* \*

24 §1145.1. ~~Employee Experience Account~~ **Experience account**

25 A.(1) The ~~Employee Experience Account~~ **experience account** shall be  
26 credited as follows:

27 (a) To the extent permitted by **Subparagraph (c) of this** Paragraph ~~(2) of this~~  
28 ~~Subsection~~ and after allocation **to the amortization bases** as provided in R.S.  
29 ~~11:102(B)(3)(d)(vi)(bb)~~ **11:102.3**, an amount not to exceed fifty percent of the

1 remaining balance of the prior year's net investment experience gain as determined  
2 by the system's actuary.

3 (b) To the extent permitted by Subparagraph (c) of this Paragraph ~~(2)~~ of  
4 ~~this Subsection~~, an amount not to exceed that portion of the system's net investment  
5 income attributable to the balance in the ~~Employee Experience Account~~ experience  
6 account during the prior year.

7 ~~(2)(a)(c)~~ In no event shall a credit be made to the account that would cause  
8 the balance in the ~~Employee Experience Account~~ experience account to exceed the  
9 reserve necessary to grant:

10 (i) Two ~~cost-of-living adjustments~~ permanent benefit increases determined  
11 pursuant to Subsection C of this Section if the system is at least eighty percent  
12 funded ~~or greater~~.

13 (ii) One permanent benefit increase as determined pursuant to Subsection C  
14 of this Section if the system is less than eighty percent funded.

15 ~~(b)(d)~~ If the system is less than eighty percent funded and the account has  
16 reserves in excess of the amounts provided for in Item ~~(a)(ii)~~ (c)(ii) of this Paragraph,  
17 ~~it shall not apply credits to the account pursuant to Subparagraph (1)(b) of this~~  
18 ~~Subsection~~ no amount shall be credited to the account.

19 ~~B.(2)~~ The ~~Employee Experience Account~~ experience account shall be  
20 debited as follows:

21 ~~(1)(a)~~ An amount equal to that portion of the system's net investment loss  
22 attributable to the balance in the ~~Employee Experience Account~~ experience account  
23 during the prior year.

24 ~~(2)(b)~~ An amount sufficient to fund a ~~cost-of-living adjustment~~ permanent  
25 benefit increase granted pursuant to ~~Subsection C~~ the provisions of this Section.

26 ~~(3)(c)~~ In no event shall the amount in the ~~Employee Experience Account~~  
27 experience account fall below zero.

28 (3) Effective for the June 30, 2015 valuation, the system's funded  
29 percentage for purposes of this Section shall be determined before any

1           **allocation to the experience account.**

2           ~~C.(1)B.~~ In accordance with the provisions of this Section, the board of  
 3 trustees may recommend to the president of the Senate and the speaker of the House  
 4 of Representatives that the system be permitted to grant a ~~cost-of-living adjustment~~  
 5 **permanent benefit increase** to retirees and beneficiaries whenever the conditions  
 6 in this Section are satisfied ~~and the balance in the Employee Experience Account is~~  
 7 ~~sufficient to fully fund such benefit on an actuarial basis, as determined by the~~  
 8 ~~system's actuary. If the legislative actuary disagrees with the determination of the~~  
 9 ~~system's actuary, a cost-of-living adjustment shall not be granted.~~ The board of  
 10 trustees shall not grant a ~~cost-of-living adjustment~~ **permanent benefit increase**  
 11 unless such ~~cost-of-living adjustment~~ **permanent benefit increase** has been  
 12 approved by the legislature. ~~Any such cost-of-living adjustment granted on or before~~  
 13 ~~June 30, 2015, shall be limited to and shall only be payable based on an amount not~~  
 14 ~~to exceed eighty-five thousand dollars of the retiree's annual benefit. Any such cost-~~  
 15 ~~of-living adjustment granted on or after July 1, 2015, shall be limited to and shall~~  
 16 ~~only be payable based on an amount not to exceed sixty thousand dollars of the~~  
 17 ~~retiree's annual benefit. Effective for years after July 1, 2007, and on or before June~~  
 18 ~~30, 2015, the eighty-five thousand dollar limit shall be increased each year in an~~  
 19 ~~amount equal to the increase in the Consumer Price Index (United States city average~~  
 20 ~~for all urban consumers (CPI-U)), as prepared by the United States Department of~~  
 21 ~~Labor, Bureau of Labor Statistics, for the preceding calendar year, if any. Effective~~  
 22 ~~on or after July 1, 2015, the sixty-thousand dollar limit shall be increased each year~~  
 23 ~~in an amount equal to any increase in the consumer price index (U.S. city average~~  
 24 ~~for all urban consumers (CPI-U)) for the twelve-month period ending on the system's~~  
 25 ~~valuation date, if any.~~

26           **C.(1) No increase shall be granted if either of the following applies:**

27           **(a) The system is less than fifty-five percent funded.**

28           **(b) The system is at least fifty-five percent funded but less than**  
 29 **eighty-five percent funded and the legislature granted a benefit increase in the**

1 **preceding fiscal year.**

2 ~~(2) Any cost-of-living adjustment increase~~ granted pursuant to the provisions  
3 of this Section shall begin on ~~the~~ July first following legislative approval, shall be  
4 payable annually, and shall **equal the amount required pursuant to Subparagraph**  
5 **(a) or (b) of this Paragraph. If the balance in the experience account is not**  
6 **sufficient to fully fund that sum on an actuarial basis as determined by the**  
7 **system actuary in agreement with the legislative auditor's actuary, no increase**  
8 **shall be granted. The increase shall** be an amount equal to the lesser of:

9 (a) ~~An amount as determined in Paragraph (2) of this Subsection.~~

10 ~~(b) The increase in the Consumer Price Index (United States city average for~~  
11 ~~all urban consumers (CPI-U))~~ **consumer price index, U.S. city average for all**  
12 **urban consumers (CPI-U)**, as prepared by the United States Department of Labor,  
13 Bureau of Labor Statistics, for the twelve-month period ending on the system's  
14 valuation date, if any. ~~If the balance in the experience account is not sufficient to~~  
15 ~~fund that sum, no increase shall be granted.~~

16 ~~(2)(a)(b)(i) If~~ **Three percent if** the system is **at least** eighty percent funded  
17 ~~or greater, three percent~~ **and the system earns an actuarial rate of return of at**  
18 **least seven and one-quarter percent interest on the investment of the system's**  
19 **assets.**

20 ~~(b)(ii) If the~~ **Two and one-half percent, if all the following apply:**

21 **(aa) The** system is at least seventy-five percent funded but less than eighty  
22 percent funded and the **system earns an actuarial rate of return of at least seven**  
23 **and one-quarter percent interest on the investment of the system's assets.**

24 **(bb) The** legislature has not granted a benefit increase in the preceding fiscal  
25 year, ~~two and one-half percent.~~

26 ~~(e)(iii) If the~~ **Two percent, if either of the following applies:**

27 **(aa) The** system is at least sixty-five percent funded but less than  
28 seventy-five percent funded and the legislature has not granted a benefit increase in  
29 the preceding fiscal year, ~~two percent.~~

1           **(bb) The system is at least seventy-five percent funded and the system**  
 2           **does not earn an actuarial rate of return of at least seven and one-quarter**  
 3           **percent interest on the investment of the system's assets.**

4           ~~(d)(iv) If~~ **One and one-half percent, if** the system is at least fifty-five  
 5           percent funded but less than sixty-five percent funded and the legislature has not  
 6           granted a benefit increase in the preceding fiscal year, ~~one and one-half percent.~~

7           ~~(e) If the system is less than fifty-five percent funded or if the system is less~~  
 8           ~~than eighty-five percent funded but more than fifty-five percent funded and the~~  
 9           ~~legislature granted a benefit increase in the preceding fiscal year, no increase shall~~  
 10           ~~be granted.~~

11           (3) ~~Subject to the limitations contained in Paragraph (1) of this Subsection,~~  
 12           ~~the~~ **The** percentage of each recipient's ~~cost-of-living adjustment~~ **permanent benefit**  
 13           **increase** shall be based on the benefit being paid to the recipient on the effective date  
 14           of the increase. **increase; however, any such permanent benefit increase granted**  
 15           **on or before June 30, 2015, shall be limited to and shall be payable based only**  
 16           **on an amount not to exceed eighty-five thousand dollars of the retiree's annual**  
 17           **benefit. Additionally, any such permanent benefit increase granted on or after**  
 18           **July 1, 2015, shall be limited to and shall be payable based only on an amount**  
 19           **not to exceed sixty thousand dollars of the retiree's annual benefit. Effective for**  
 20           **years after July 1, 2007, and on or before June 30, 2015, the eighty-five**  
 21           **thousand dollar limit shall be increased each year in an amount equal to any**  
 22           **increase in the consumer price index, U.S. city average for all urban consumers**  
 23           **(CPI-U) for the preceding year. Effective on or after July 1, 2015, the sixty**  
 24           **thousand dollar limit shall be increased each year in an amount equal to any**  
 25           **increase in the consumer price index, U.S. city average for all urban consumers**  
 26           **(CPI-U) for the twelve-month period ending on the system's valuation date.**

27           **(4)(a) Notwithstanding any provision of this Section to the contrary, in**  
 28           **a year in which the experience account balance is insufficient to fund the**  
 29           **amount required pursuant to Paragraph (2) of this Subsection, the board may**

1 make the recommendation provided in Subsection B of this Section if all of the  
 2 following conditions are satisfied:

3 (i) No benefit increase was granted in the preceding fiscal year.

4 (ii) The experience account balance established in the system valuation  
 5 for the preceding fiscal year reached its maximum reserve permitted pursuant  
 6 to Subparagraph (A)(1)(c) of this Section applicable to the system valuation for  
 7 that valuation year.

8 (iii) The experience account balance established in the system valuation  
 9 for the current fiscal year is insufficient to fund the increase permitted pursuant  
 10 to Paragraph (2) of this Subsection applicable to the system valuation for the  
 11 preceding fiscal year.

12 (iv) All of the insufficiency in the account is attributable to the following:

13 (aa) The growth of the cost of the increase, but only if that growth was  
 14 produced solely by either or both of these events:

15 (I) Changes in the pool of the eligible recipients.

16 (II) The growth in the benefit amount to which the increase applies due  
 17 to the application of the CPI-U pursuant to the provisions of Paragraph (3) of  
 18 this Subsection.

19 (bb) The insufficiency of credits to the account, if any, to cover the  
 20 growth in the cost of the increase.

21 (b) The amount of the increase shall be equal to the amount that the  
 22 balance in the experience account will fully fund rounded to the nearest lower  
 23 one-tenth of one percent.

24 ~~(4)(a)D.(1)(a)~~ Except as provided in Subparagraph (c) of this Paragraph, in  
 25 order to be eligible for the ~~cost-of-living adjustment~~ **permanent benefit increase**,  
 26 there shall be the funds available in the ~~Employee Experience Account~~ **experience**  
 27 **account** to pay for such an adjustment, and a retiree:

28 (i) Shall have received a benefit for at least one year; ~~and,~~

29 (ii) Shall have attained at least age sixty.

1 (b) Except as provided in Subparagraph (c) of this Paragraph, a ~~non-retiree~~  
 2 nonretiree beneficiary shall be eligible for the ~~cost-of-living adjustment~~ permanent  
 3 benefit increase:

4 (i) If benefits had been paid to the retiree, or the beneficiary, or both  
 5 combined, for at least one year; ~~and,~~

6 (ii) In no event before the retiree would have attained age sixty.

7 (c) The provisions of Items (a)(ii) and (b)(ii) of this Paragraph shall not apply  
 8 to any person who receives disability benefits from this system or who receives  
 9 benefits based on the death of a disability retiree of this system.

10 ~~D. The cost-of-living increase which is authorized by Subsection C of this~~  
 11 ~~Section shall be limited to the lesser of either two percent or an amount determined~~  
 12 ~~as provided in Subsection C of this Section in or for any year in which the system~~  
 13 ~~does not earn an actuarial rate of return of at least seven and one-quarter percent~~  
 14 ~~interest on the investment of the system's assets.~~

15 E. Effective July 1, 2007, the balance in the ~~Employee Experience Account~~  
 16 experience account shall be zero.

17 \* \* \*

18 §1332. Employee Experience Account Experience account

19 A.(1) The ~~Employee Experience Account~~ experience account shall be  
 20 credited as follows:

21 (a) To the extent permitted by Subparagraph (c) of this Paragraph ~~(2) of this~~  
 22 ~~Subsection~~ and after the allocation to the amortization bases as provided in R.S.  
 23 ~~11:102(B)(3)(d)(viii)(bb)~~ 11:102.4, an amount not to exceed fifty percent of the  
 24 remaining balance of the prior year's net investment experience gain as determined  
 25 by the system's actuary.

26 (b) To the extent permitted by Subparagraph (c) of this Paragraph ~~(2) of~~  
 27 ~~this Subsection~~, an amount not to exceed that portion of the system's net investment  
 28 income attributable to the balance in the ~~Employee Experience Account~~ experience  
 29 account during the prior year.

1           ~~(2)(a)(c)~~ In no event shall a credit be made to the account that would cause  
 2 the balance in the ~~Employee Experience Account~~ experience account to exceed the  
 3 reserve necessary to grant:

4           (i) Two ~~cost-of-living adjustments~~ permanent benefit increases as  
 5 determined pursuant to Subsection C of this Section if the system is at least eighty  
 6 percent funded ~~or greater~~.

7           (ii) One permanent benefit increase as determined pursuant to Subsection C  
 8 of this Section if the system is less than eighty percent funded.

9           ~~(b)(d)~~ If the system is less than eighty percent funded and the account has  
 10 reserves in excess of the amounts provided for in Item ~~(a)(ii)~~ (c)(ii) of this Paragraph,  
 11 ~~it shall not apply credits to the account pursuant to Subparagraph (1)(b) of this~~  
 12 ~~Subsection~~ no amount shall be credited to the account.

13           ~~B.(2)~~ The ~~Employee Experience Account~~ experience account shall be  
 14 debited as follows:

15           ~~(1)(a)~~ An amount equal to that portion of the system's net investment loss  
 16 attributable to the balance in the ~~Employee Experience Account~~ experience account  
 17 during the prior year.

18           ~~(2)(b)~~ An amount sufficient to fund a ~~cost-of-living adjustment~~ permanent  
 19 benefit increase granted pursuant to ~~Subsection C or F~~ the provisions of this  
 20 Section.

21           ~~(3)(c)~~ In no event shall the amount in the ~~Employee Experience Account~~  
 22 experience account fall below zero.

23           (3) Effective for the June 30, 2015 valuation, the system's funded  
 24 percentage for purposes of this Section shall be determined before any  
 25 allocation to the experience account.

26           ~~C.(1)B.~~ In accordance with the provisions of this Section, the board of  
 27 trustees may recommend to the president of the Senate and the speaker of the House  
 28 of Representatives that the system be permitted to grant a ~~cost-of-living adjustment~~  
 29 permanent benefit increase to retirees and beneficiaries whenever the conditions

1 in this Section are satisfied and the balance in the Employee Experience Account is  
 2 sufficient to fully fund such benefit on an actuarial basis, as determined by the  
 3 system's actuary. If the legislative actuary disagrees with the determination of the  
 4 system's actuary, a cost-of-living adjustment shall not be granted. The board of  
 5 trustees shall not grant a cost-of-living adjustment **permanent benefit increase**  
 6 unless such cost-of-living adjustment **permanent benefit increase** has been  
 7 approved by the legislature. Any such cost-of-living adjustment granted on or before  
 8 June 30, 2015, shall be limited to and shall only be payable based on an amount not  
 9 to exceed eighty-five thousand dollars of the retiree's annual benefit. Any such cost-  
 10 of-living adjustment granted on or after July 1, 2015, shall be limited to and shall  
 11 only be payable based on an amount not to exceed sixty thousand dollars of the  
 12 retiree's annual benefit. Effective for years after July 1, 2007, and on or before June  
 13 30, 2015, the eighty-five thousand dollar limit shall be increased each year in an  
 14 amount equal to the increase in the consumer price index (United States city average  
 15 for all urban consumers (CPI-U)), as prepared by the United States Department of  
 16 Labor, Bureau of Labor Statistics, for the preceding calendar year, if any. Effective  
 17 on or after July 1, 2015, the sixty-thousand dollar limit shall be increased each year  
 18 in an amount equal to any increase in the consumer price index (U.S. city average  
 19 for all urban consumers (CPI-U)) for the twelve-month period ending on the system's  
 20 valuation date, if any.

21 **C.(1) No increase shall be granted if either of the following applies:**

22 **(a) The system is less than fifty-five percent funded.**

23 **(b) The system is at least fifty-five percent funded but less than**  
 24 **eighty-five percent funded and the legislature granted a benefit increase in the**  
 25 **preceding fiscal year.**

26 **(2)** Any adjustment **increase** granted pursuant to the provisions of this  
 27 Section shall begin on **the** July first following legislative approval, shall be payable  
 28 annually, and shall be an amount equal to the lesser of:

29 (a) An amount as determined in Paragraph (2) of this Subsection.

1           ~~(b)~~ The increase in the consumer price index, ~~(United States city average for~~  
 2 ~~all urban consumers (CPI-U))~~ **U.S. city average for all urban consumers (CPI-U)**,  
 3 as prepared by the United States Department of Labor, Bureau of Labor Statistics,  
 4 for the twelve-month period ending on the system's valuation date, if any. ~~If the~~  
 5 ~~balance in the experience account is not sufficient to fund that sum, no increase shall~~  
 6 ~~be granted.~~

7           ~~(2)(a)~~**(b)(i)** If **Three percent, if** the system is **at least** eighty percent funded  
 8 ~~or greater, three percent~~ **and the system earns an actuarial rate of return of at**  
 9 **least seven percent interest on the investment of the system's assets.**

10           ~~(b)(ii)~~ If the **Two and one-half percent, if all of the following apply:**

11           **(aa)** The system is at least seventy-five percent funded but less than eighty  
 12 percent funded and the **system earns an actuarial rate of return of at least seven**  
 13 **percent interest on the investment of the system's assets.**

14           **(bb)** The legislature has not granted a benefit increase in the preceding fiscal  
 15 year, ~~two and one-half percent.~~

16           ~~(c)~~**(iii)** If the **Two percent, if either of the following applies:**

17           **(aa)** The system is at least sixty-five percent funded but less than  
 18 seventy-five percent funded and the legislature has not granted a benefit increase in  
 19 the preceding fiscal year, ~~two percent.~~

20           **(bb)** The system is at least seventy-five percent funded and the system  
 21 **does not earn an actuarial rate of return of at least seven percent interest on the**  
 22 **investment of the system's assets.**

23           ~~(d)~~**(iv)** If **One and one-half percent, if** the system is at least fifty-five  
 24 percent funded but less than sixty-five percent funded and the legislature has not  
 25 granted a benefit increase in the preceding fiscal year, ~~one and one-half percent.~~

26           ~~(e)~~ If the system is less than fifty-five percent funded or if the system is less  
 27 than eighty-five percent funded but more than fifty-five percent funded and the  
 28 legislature granted a benefit increase in the preceding fiscal year, ~~no increase shall~~  
 29 ~~be granted.~~

1           (3) Subject to the limitations contained in Paragraph (1) of this Subsection,  
2     the ~~The~~ percentage of each recipient's cost-of-living adjustment **permanent benefit**  
3     **increase** shall be based on the benefit being paid to the recipient on the effective date  
4     of the ~~increase~~. **increase; however, any such permanent benefit increase granted**  
5     **on or before June 30, 2015, shall be limited to and shall be payable based only**  
6     **on an amount not to exceed eighty-five thousand dollars of the retiree's annual**  
7     **benefit. Additionally, any such permanent benefit increase granted on or after**  
8     **July 1, 2015, shall be limited to and shall be payable based only on an amount**  
9     **not to exceed sixty thousand dollars of the retiree's annual benefit. Effective for**  
10    **years after July 1, 2007, and on or before June 30, 2015, the eighty-five**  
11    **thousand dollar limit shall be increased each year in an amount equal to any**  
12    **increase in the consumer price index, U.S. city average for all urban consumers**  
13    **(CPI-U) for the preceding year. Effective on or after July 1, 2015, the sixty**  
14    **thousand dollar limit shall be increased each year in an amount equal to any**  
15    **increase in the consumer price index, U.S. city average for all urban consumers**  
16    **(CPI-U) for the twelve-month period ending on the system's valuation date.**

17           (4)(a) Notwithstanding any provision of this Section to the contrary, in  
18    a year in which the experience account balance is insufficient to fund the  
19    amount required pursuant to Paragraph (2) of this Subsection, the board may  
20    make the recommendation provided in Subsection B of this Section if all of the  
21    following conditions are satisfied:

22           (i) No benefit increase was granted in the preceding fiscal year.

23           (ii) The experience account balance established in the system valuation  
24    for the preceding fiscal year reached its maximum reserve permitted pursuant  
25    to Subparagraph (A)(1)(c) of this Section applicable to the system valuation for  
26    that valuation year.

27           (iii) The experience account balance established in the system valuation  
28    for the current fiscal year is insufficient to fund the increase permitted pursuant  
29    to Paragraph (2) of this Subsection applicable to the system valuation for the

1 preceding fiscal year.

2 (iv) All of the insufficiency in the account is attributable to the following:

3 (aa) The growth of the cost of the increase, but only if that growth was  
4 produced solely by either or both of these events:

5 (I) Changes in the pool of the eligible recipients.

6 (II) The growth in the benefit amount to which the increase applies due  
7 to the application of the CPI-U pursuant to the provisions of Paragraph (3) of  
8 this Subsection.

9 (bb) The insufficiency of credits to the account, if any, to cover the  
10 growth in the cost of the increase.

11 (b) The amount of the increase shall be equal to the amount that the  
12 balance in the experience account will fully fund rounded to the nearest lower  
13 one-tenth of one percent.

14 ~~(4)(a)~~ D.(1)(a) Except as provided in Subparagraph (c) of this Paragraph, in  
15 order to be eligible for the ~~cost-of-living adjustment~~ permanent benefit increase,  
16 there shall be the funds available in the experience account to pay for such an  
17 adjustment, and a retiree:

18 (i) Shall have received a benefit for at least one year; ~~and~~.

19 (ii) Shall have attained at least age sixty.

20 (b) Except as provided in Subparagraph (c) of this Paragraph, a ~~non-retiree~~  
21 nonretiree beneficiary shall be eligible for the ~~cost-of-living adjustment~~ permanent  
22 benefit increase:

23 (i) If benefits had been paid to the retiree, or the beneficiary, or both  
24 combined, for at least one year; ~~and~~.

25 (ii) In no event before the retiree would have attained age sixty.

26 (c) The provisions of Items (a)(ii) and (b)(ii) of this Paragraph shall not apply  
27 to any person who receives disability benefits from this system or who receives  
28 benefits based on the death of a disability retiree of this system.

29 ~~D. The cost-of-living increase which is authorized by Subsection C of this~~

1 Section shall be limited to the lesser of either two percent or an amount determined  
 2 as provided in Subsection ~~C~~ of this Section in or for any year in which the system  
 3 does not earn an actuarial rate of return of at least seven percent interest on the  
 4 investment of the system's assets.

5 E. Effective July 1, 2007, the balance in the ~~Employee Experience Account~~  
 6 **experience account** shall be zero.

7 F. In addition to the ~~cost-of-living adjustment~~ **permanent benefit increase**  
 8 authorized by Subsection ~~C~~ **B** of this Section, the board of trustees may grant a  
 9 supplemental ~~cost-of-living adjustment~~ **permanent benefit increase** to all retirees  
 10 and beneficiaries who are at least age sixty-five, which shall consist of an amount  
 11 equal to two percent of the benefit being received on the date of the ~~adjustment~~  
 12 **increase**. In order to grant such supplemental ~~cost-of-living adjustment~~ **permanent**  
 13 **benefit increase**, the board of trustees shall recommend to the president of the  
 14 Senate and the speaker of the House of Representatives that the system be permitted  
 15 to grant such supplemental ~~cost-of-living adjustment~~ **permanent benefit increase**  
 16 to retirees and beneficiaries whenever the balance in the ~~Employee Experience~~  
 17 ~~Account~~ **experience account** is sufficient to fully fund such benefit on an actuarial  
 18 basis, as determined by the system's actuary. If the legislative actuary disagrees with  
 19 the determination of the system's actuary, such supplemental ~~cost-of-living~~  
 20 ~~adjustment~~ **permanent benefit increase** shall not be granted. The board of trustees  
 21 shall not grant such supplemental ~~cost-of-living adjustment~~ **permanent benefit**  
 22 **increase** unless such supplemental ~~cost-of-living adjustment~~ **permanent benefit**  
 23 **increase** has been approved by the legislature. Any such supplemental ~~cost-of-living~~  
 24 ~~adjustment~~ **permanent benefit increase** paid on or before June 30, 2015, shall be  
 25 limited to and shall ~~only~~ be payable based **only** on an amount not to exceed  
 26 eighty-five thousand dollars of the retiree's annual benefit. Any such supplemental  
 27 ~~cost-of-living adjustment~~ **permanent benefit increase** paid on or after July 1, 2015,  
 28 shall be limited to and shall ~~only~~ be payable based **only** on an amount not to exceed  
 29 sixty thousand dollars of the retiree's annual benefit. Effective on and after July 1,



- (1) La. State Employees' Retirement System (LASERS)
- (2) Teachers' Retirement System of La. (Teachers' or TRSL)
- (3) La. School Employees' Retirement System (LSERS)
- (4) State Police Retirement System (Troopers)

#### OVERVIEW

Present law, relative to state retirement systems, generally provides for determination of actuarial liabilities and calculations of payments to liquidate those liabilities. Provides for application of certain actuarial gains to help reduce the payments necessary to liquidate a system's liabilities, to reduce specific amortization bases of system debt, and for allocation to a side account (the experience account) designed to accumulate monies to fund benefit increases for retirees.

Proposed law retains present law.

Present law provides for determination of the amount and timing of permanent benefit increases (PBIs) for retirees, sometimes called cost-of-living adjustments or COLAs.

Proposed law retains present law.

#### SUBSTANTIVE CHANGES

Present law, subject to certain caveats, provides for a schedule of maximum PBI amounts based on a system's funded percentage. The schedule ranges from a minimum of 1.5% for a system that is at least 55% funded but less than 65% funded to a maximum of 3.0% for a system that is at least 80% funded. Provides for other changes to be triggered by the system's funded percentage.

Proposed law retains present law.

Proposed law defines "funded percentage" for state systems. Provides that, except as otherwise provided by law, "funded percentage" means valuation assets used to determine contributions divided by accrued liability.

Proposed law, for purposes of determining the maximum PBI within the schedule in present law, specifies that the funded percentage shall be determined before any allocation to the experience account.

Present law provides that the amortization period for most actuarial changes, gains, or losses shall be permanently reduced from 30 years to 20 years in the June 30<sup>th</sup> system valuation following the fiscal year in which a system first attains a funded percentage of 85% or greater.

Proposed law changes the trigger from 85% to 72% for LSERS and to 70% for the other three systems.

Present law provides that, effective for the June 30, 2019 valuation, actuarial gains allocated to the experience account shall be amortized as a loss with level payments over a ten-year period.

Proposed law provides for this ten-year loss amortization to begin with the first system valuation following June 30, 2015, in which an allocation is made to the system's experience account.

Present law provides for multiple employer contribution rates at LASERS and Teachers' for the various specialty plans within each system.

Proposed law retains present law and consolidates all K-12 employee groups at Teachers' into a single plan for rate purposes.

Present law, relative to LASERS and Teachers', provides for special amortization bases called the original amortization base (OAB) and the experience account amortization base (EAAB). Provides for increasing payment schedules for these debts. Provides for application of annual "hurdle" payments, from investment earnings above a certain target, to extinguish these debts.

Proposed law retains present law.

Present law provides for hurdle payments on LSERS' and Troopers' oldest debts.

Proposed law retains present law.

Present law provides that, after a hurdle payment is made, the net remaining debt the payment is applied to shall not be reamortized unless the system is 85% funded.

Beginning in the 2020-2021 Fiscal Year, proposed law provides for reamortization of the net remaining OAB liability when moving to level-dollar payments ending in 2029 results in annual payments that are not more than the next annual payment otherwise required under present law.

Proposed law provides that after a system first achieves a funded percentage of 80%, the debt to which any future hurdle payment applies shall be reamortized over the remainder of the originally-established amortization period.

Until a system is 80% funded, proposed law further provides for reamortization of the net remaining liability after application of the hurdle payments in the 2019-2020 Fiscal Year and in every fifth fiscal year thereafter.

Present law provides for the review of volatility of payment schedules with results reported to the Public Retirement Systems' Actuarial Committee by Nov. 1, 2019.

Proposed law requires the report to be submitted by Nov. 1, 2017.

#### NONSUBSTANTIVE CHANGES

Present law provides for the following for each system:

- (A) A 30-year amortization period for certain changes, gains, and losses with level dollar amounts.
- (B) A switch to a 20-year amortization period after a system attains a designated funded percentage.
- (C) Application of annual "hurdle" payments, from investment earnings above a certain target, to extinguish certain debts.
- (D) Indexing of hurdle payments by increasing them as the system's assets increase.
- (E) Reamortization of debts subject to the hurdle payments under certain circumstances after a system attains a designated funded percentage.
- (F) Ten-year amortization of losses due to experience account allocations.

(G) Five-year amortization of certain gains recognized in the 2014 valuation.

Proposed law retains present law.

Present law, relative to LSERS, provides for:

(H) The application of residual experience account funds on June 30, 2014, as a part of:

(I) The consolidation of existing amortization bases.

Proposed law retains present law.

Present law, relative to LASERS and Teachers', provides that:

(J) After the OAB is liquidated, the payments that had been applied to the OAB shall be added to the hurdle payments to the EAAB.

(K) After the EAAB is liquidated, the payments that had been applied to the EAAB shall be applied to the next oldest outstanding amortization base of debt.

Proposed law retains present law.

Present law provides for (L) a volatility review of future payment schedules for each system.

Proposed law retains present law.

Proposed law relative to the experience account at each system provides for:

(M) Credits and debits to the account.

(N) A schedule of maximum PBIs based on funded status.

(O) Payment of "partial" PBIs in certain circumstances when funds are not available for a "full" PBI.

(P) PBIs only every other year until a threshold of funding is attained.

Proposed law retains present law.

A table of the major present law provisions that were relocated is below.

PROVISION	SYSTEM	PRESENT LAW	PROPOSED LAW
A	LASERS	R.S. 11:102(B)(3)(d)(v)(aa)(I)	R.S. 11:102(C)(2)(a)
	TRSL	R.S. 11:102(B)(3)(d)(vii)(aa)(I)	R.S. 11:102(D)(2)(a)
	LSERS	R.S. 11:102(B)(3)(d)(vi)(aa)(I)	R.S. 11:102(E)(1)
	Troopers	R.S. 11:102(B)(3)(d)(viii)(aa)(I)	R.S. 11:102(F)(1)
B	LASERS	R.S. 11:102(B)(3)(d)(v)(aa)(II)	R.S. 11:102(C)(2)(b)
	TRSL	R.S. 11:102(B)(3)(d)(vii)(aa)(II)	R.S. 11:102(D)(2)(b)
	LSERS	R.S. 11:102(B)(3)(d)(vi)(aa)(II)	R.S. 11:102(E)(3)
	Troopers	R.S. 11:102(B)(3)(d)(viii)(aa)(II)	R.S. 11:102(F)(2)

PROVISION	SYSTEM	PRESENT LAW	PROPOSED LAW
C	LASERS	R.S. 11:102(B)(3)(d)(v)(bb)(I)&(II)	R.S. 11:102.1
	TRSL	R.S. 11:102(B)(3)(d)(vii)(bb)(I)	R.S. 11:102.2
	LSERS	R.S. 11:102(B)(3)(d)(vi)(bb)(I)&(II)	R.S. 11:102.3
	Troopers	R.S. 11:102(B)(3)(d)(viii)(bb)(I)&(II)	R.S. 11:102.4
D	LASERS	R.S. 11:102(B)(3)(d)(v)(bb)(I)&(II)	R.S. 11:102.1(A)(4)
	TRSL	R.S. 11:102(B)(3)(d)(vii)(bb)(I)&(II)	R.S. 11:102.2(A)(4)
	LSERS	R.S. 11:102(B)(3)(d)(vi)(bb)(II)	R.S. 11:102.3(A)(1)(b)
	Troopers	R.S. 11:102(B)(3)(d)(viii)(bb)(II)	R.S. 11:102.4(A)(1)(b)
E	LASERS	R.S. 11:102(B)(3)(d)(v)(bb)(I)&(II)	R.S. 11:102.1(A)(4)(h)
	TRSL	R.S. 11:102(B)(3)(d)(vii)(bb)(I)&(II)	R.S. 11:102.2(A)(4)(h)
	LSERS	R.S. 11:102(B)(3)(d)(vi)(bb)(II)	R.S. 11:102.3(A)(5)
	Troopers	R.S. 11:102(B)(3)(d)(viii)(bb)(II)	R.S. 11:102.4(A)(5)
F	LASERS	R.S. 11:102(B)(3)(d)(v)(cc)	R.S. 11:102(C)(2)(c)
	TRSL	R.S. 11:102(B)(3)(d)(vii)(cc)	R.S. 11:102(D)(2)(c)
	LSERS	R.S. 11:102(B)(3)(d)(vi)(cc)	R.S. 11:102(E)(4)
	Troopers	R.S. 11:102(B)(3)(d)(viii)(cc)	R.S. 11:103(F)(3)
G	LASERS	R.S. 11:102(B)(3)(d)(v)(dd)	R.S. 11:102.5
	TRSL	R.S. 11:102(B)(3)(d)(vii)(dd)	R.S. 11:102.5
	LSERS	R.S. 11:102(B)(3)(d)(vi)(dd)	R.S. 11:102.5
	Troopers	R.S. 11:102(B)(3)(d)(viii)(dd)	R.S. 11:102.5
H	LSERS	R.S. 11:102(B)(3)(d)(vi)(ee)(I)	R.S. 11:102(E)(2)(b)
I	LSERS	R.S. 11:102(B)(3)(d)(vi)(ee)(II)	R.S. 11:102(E)(2)(a)
J	LASERS	R.S. 11:102(B)(3)(d)(v)(bb)(I)	R.S. 11:102.1(A)(4)(c)(iii), (iv)&(v)
	TRSL	R.S. 11:102(B)(3)(d)(vii)(bb)(II)	R.S. 11:102.2(A)(4)(c)(iii), (iv)&(v)
K	LASERS	R.S. 11:102(B)(3)(d)(v)(bb)(II)	R.S. 11:102.1(D)
	TRSL	R.S. 11:102(B)(3)(d)(vii)(bb)(II)	R.S. 11:102.2(A)(4)(e)&(D)
L	all	R.S. 11:102.3	R.S. 11:102.6
M	LASERS	R.S. 11:542(A)(2)&(B)	R.S. 11:542(B)(2)&(3)
	TRSL	R.S. 11:883.1(A)(2)&(B)	R.S. 11:883.1(B)(2)&(3)
	LSERS	R.S. 11:1145.1(A)(1)	R.S. 11:1145.1(A)(1)&(2)
	Troopers	R.S. 11:1332(A)(1)	R.S. 11:1332(A)(1)&(2)

PROVISION	SYSTEM	PRESENT LAW	PROPOSED LAW
N	LASERS	R.S. 11:542(C)(2)	R.S. 11:542(D)
	TRSL	R.S. 11:883.1(C)(2)	R.S. 11:883.1(D)
	LSERS	R.S. 11:1145.1(C)(2)	R.S. 11:1145.1(C)
	Troopers	R.S. 11:1332(C)(2)	R.S. 11:1332(C)
O	LASERS	R.S. 11:542(G)	R.S. 11:542(D)(4)
	TRSL	R.S. 11:883.1(H)	R.S. 11:883.1(D)(4)
	LSERS	R.S. 11:1145.1(F)	R.S. 11:1145.1(C)(4)
	Troopers	R.S. 11:1332(G)	R.S. 11:1332(C)(4)
P	LASERS	R.S. 11:542(C)(2)(e)	R.S. 11:542(D)(1)(b)
	TRSL	R.S. 11:883.1(C)(2)(e)	R.S. 11:883.1(D)(1)(b)
	LSERS	R.S. 11:1145.1(C)(2)(e)	R.S. 11:1145.1(C)(1)(b)
	Troopers	R.S. 11:1332(C)(2)(e)	R.S. 11:1332(C)(1)(b)

Proposed law specifies that if the provisions of proposed law conflict with the provisions of any other Act of the 2016 Regular Session, the provisions of proposed law shall supersede and control regardless of the order of passage.

Effective June 30, 2016.

(Amends R.S. 11:102(B)(1), (2), (3)(intro para), (a), and (d)(intro para), (i), (ii), (iii), and (iv), (4), and (5)(a) and (b), (C), and (D), 102.1(B)(4), (5), and (6) and (C)(2), (4), (5), and (6), 102.2(B)(4) and (5) and (C)(2), (4), (5), and (6), 102.3, 542(A), (B), (C), (E), and (F), 883.1(A), (B), (C), (E), (F), and (G), 927(B)(2)(a)(intro para) and (i) and (b)(i) and (3)(a), 1145.1(A), (B), (C), (D), and (E), and 1332(A), (B), (C), (D), (E), and (F); adds R.S. 11:23, 102(E) and (F), 102.1(A)(4), (B)(3)(a)(iv), and (D), 102.2(A)(4), (B)(3)(a)(iv), and (D), 102.4, 102.5, 102.6, 542(D), and 883.1(D); repeals R.S. 11:102(B)(3)(d)(v), (vi), (vii), and (viii), 542(G), 883.1(G) and (H), 1145.1(F), and 1332(G))

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Retirement to the original bill

1. Defines "funded percentage."
2. Provides that when LASERS, TRSL, and Troopers are 70% funded the amortization period for most actuarial changes, gains, and losses shall be reduced from 30 years to 20 years. Further provides that when LSERS is 72% funded the amortization period for most actuarial changes, gains, and losses shall be reduced from 30 years to 20 years.
3. Until a system is 80% funded, provides for reamortization after application of the hurdle payments in the 2019-2020 Fiscal Year and in every fifth fiscal year thereafter.
4. Beginning with the 2020-2021 Fiscal Year, provides for reamortization of the OAB payments when moving to level-dollar payments results in annual payments ending in 2029 that are not more than the next annual payment otherwise required under present law.

5. Removes prescribed order in which credits and debits are to be made to the experience account.
6. Makes technical changes.