

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 30th 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 state retirement 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 to which the payment is applied 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 is applied 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 review of volatility to be done following the close of Fiscal Year 2016-2017 and 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)

PROVISION	SYSTEM	PRESENT LAW	PROPOSED LAW
	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)
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), (b), (c), and (d)(intro para), (i), (ii), (iii), and (iv), (4), and (5)(a) and (b), (C), and (D), 102.1(B)(2)(b), (3)(a)(i), (4), (5), and (6) and (C)(2), (3)(a) and (c), (4), (5), and (6), 102.2(B)(2)(a), (3)(a)(i), (4), and (5) and (C)(2), (3)(a) and (c), (4), (5), and (6), 102.3, 542(A), (B), (C), (E), and (F), 883.1(A), (B), (C), (E), and (F), 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.

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Makes technical changes.