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## DIGEST

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HB 56 Original

2015 Regular Session

Hoffmann

**Abstract:** Authorizes the District Attorneys' Retirement System (DARS) to increase required employer contribution rates in certain circumstances and establishes a Funding Deposit Account within the system for collection of contribution remittances above the actuarially required amount.

Present law (R.S. 11:105 through 107) grants certain statewide retirement systems the authority to increase required employer contribution rates in certain circumstances. Generally, in a year in which the required contribution rate would otherwise decrease, the systems are authorized to (a) hold the rate at the previous year's level; (b) add up to 3% to the required rate; or (c) set the contribution rate anywhere between the new lower rate and the previous year's higher rate.

Proposed law retains present law.

Pursuant to present law, amounts collected by systems exercising present law authority are used for the following purposes and in the following order:

- (1) Applied to frozen unfunded accrued liability (UAL), if any, without reamortization of such debt.
- (2) To reduce the outstanding amortization charge base with the greatest number of outstanding payments, without reamortization of such base.
- (3) To decrease the employer contribution rate.

Proposed law retains present law.

Systems with authority to modify employer contribution rates under present law include the Assessors' Retirement Fund, Clerks' of Court Retirement and Relief Fund, Municipal Employees' Retirement System, and the Registrars of Voters Employees' Retirement System. Proposed law would grant DARS the same authority. Further requires any contribution rate change made by DARS to be set by rule adopted in accordance with the Administrative Procedures Act.

Present law (R.S. 11:107.1) establishes a "Funding Deposit Account" in certain statewide systems, such as Assessors', Clerks of Court, Municipal Employees', and Registrars of Voters. Funds collected pursuant to present law in excess of minimum required employer contribution rates are collected in this account and may be used by the board of trustees of the system for the following

purposes:

- (1) To reduce system UAL.
- (2) To reduce employer contribution rates.

Proposed law establishes a Funding Deposit Account within DARS and requires any use of such account funds pursuant to proposed law to be done by rule adopted in accordance with the Administrative Procedures Act. Otherwise retains present law.

(Adds R.S. 11:105(A)(7) and (E), 106(A)(5) and (D), 107(A)(6) and (C), and 107.1(A)(6) and (I))