

# ACT No. 91

2019 Regular Session

HOUSE BILL NO. 21

BY REPRESENTATIVE PEARSON

1 AN ACT

2 To amend and reenact R.S. 11:22(B)(4), 42(B)(3), and 103(B)(3)(e)(i) and to enact R.S.  
3 11:2252(24), relative to actuarial funding of the Firefighters' Retirement System; to  
4 provide with respect to actuarial funding methods and amortization of unfunded  
5 accrued liabilities; and to provide for related matters.

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

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:22(B)(4), 42(B)(3), and 103(B)(3)(e)(i) are hereby amended and  
11 reenacted and R.S. 11:2252(24) is hereby enacted to read as follows:

12 §22. Methods of actuarial valuation established

13 \* \* \*

14 B. The following funding methods shall be utilized to determine actuarially  
15 required contributions:

16 \* \* \*

17 (4) Firefighters' Retirement System: ~~entry age normal~~; frozen initial liability.

18 \* \* \*

19 §42. Unfunded accrued liabilities; amortization

20 \* \* \*

21 B. The provisions of this Subsection shall be implemented and accomplished  
22 by the governing authorities of the state and statewide public retirement systems as  
23 follows:

24 \* \* \*

1                   (3) Firefighters' Retirement System. ~~The unfunded accrued liability, as of~~  
 2                   ~~June 30, 1989, determined under the funding method specified in R.S. 11:22(B)(4),~~  
 3                   ~~shall be amortized over a thirty-year period, commencing with fiscal year 1989-~~  
 4                   ~~1990, with level dollar payments annually.~~ Effective beginning with the 2019  
 5                   valuation, the outstanding balance of the unfunded accrued liability, except  
 6                   unamortized merger bases, shall be frozen, combined, and reamortized over fifteen  
 7                   years with payments decreasing by one percent per year. All future actuarial  
 8                   experience gains and losses, contribution gains and losses, gains and losses arising  
 9                   from changes in benefits, and gains and losses arising from changes in assumptions,  
 10                   shall be included in the calculation of the normal cost through frozen initial liability  
 11                   funding method.

\* \* \*

§103. Employer contributions; determination; statewide systems

\* \* \*

B.

\* \* \*

17                   (3) The actuarially required employer contribution for each fiscal year shall  
 18                   be that dollar amount equal to the sum of:

\* \* \*

20                   (e) That fiscal year's payment, calculated as of the first of that fiscal year and  
 21                   projected to the middle of that fiscal year at the actuarially assumed interest rate,  
 22                   necessary to amortize changes in actuarial liability due to:

23                   ~~(i)(aa) Except as otherwise provided by this Item, actuarial~~ Actuarial gains  
 24                   and losses, if appropriate for the funding method used by the system as specified in  
 25                   R.S. 11:22, for each fiscal year such payments to be calculated as level dollar  
 26                   amounts over a period of fifteen years from the fiscal year of occurrence of each  
 27                   such actuarial gain or loss, such gains and losses to include any increases in actuarial  
 28                   liability due to governing authority granted cost-of-living increases.

\* \* \*

