

Regular Session, 2012

HOUSE BILL NO. 56

BY REPRESENTATIVE PEARSON

RETIREMENT/STATE SYSTEMS: Increases the employee contribution rate for certain members of state retirement systems

1 AN ACT

2 To amend and reenact R.S. 11:62(5)(a), (c), and (e) and (11)(c) and to enact R.S.  
3 11:62(11)(d) and Subpart P of Part II of Chapter 4 of Subtitle I of Title 11 of the  
4 Louisiana Revised Statutes of 1950, to be comprised of R.S. 11:331, relative to  
5 certain members of the Louisiana State Employees' Retirement System and certain  
6 postsecondary education members of the Teachers' Retirement System of Louisiana;  
7 to increase employee contribution rates; and to provide for related matters.

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

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 11:62(5)(a), (c), and (e) and (11)(c) are hereby amended and  
13 reenacted and R.S. 11:62(11)(d) and Subpart P of Part II of Chapter 4 of Subtitle I of Title  
14 11 of the Louisiana Revised Statutes of 1950, comprised of R.S. 11:331, are hereby enacted  
15 to read as follows:

16 §62. Employee contribution rates established

17 Employee contributions to state and statewide public retirement systems shall  
18 be paid at the following rates, except as otherwise provided by law:

19 \* \* \*

20 (5) Louisiana State Employees' Retirement System:

1 (a) Judges, court officers, the governor, lieutenant governor, and legislators:

2 (i) Employees whose first employment making them eligible for membership  
3 in one of the state systems occurred on or before December 31, 2010 - ~~11.5%~~ 14.5%.

4 (ii) Employees, other than judges in Item (iii) of this Subparagraph, whose  
5 first employment making them eligible for membership in one of the state systems  
6 occurred on or after January 1, 2011 - ~~8%~~ 11%.

7 (iii) Judges holding positions specified in R.S. 11:553(1), (3) through (5),  
8 (7), and (10) through (15) whose first employment making them eligible for  
9 membership in one of the state systems occurred on or after January 1, 2011 - ~~13%~~  
10 16%.

11 \* \* \*

12 (c) Clerk and sergeant at arms of the House of Representatives and Secretary  
13 and sergeant at arms of the Senate:

14 (i) Employees whose first employment making them eligible for membership  
15 in one of the state systems occurred on or before December 31, 2010 - ~~9.5%~~ 12.5%.

16 (ii) Employees whose first employment making them eligible for  
17 membership in one of the state systems occurred on or after January 1, 2011 - ~~8%~~  
18 11%.

19 \* \* \*

20 (e) All others:

21 (i) Members of the optional retirement plan - 7.5%.

22 (ii) Employed on or before June 30, 2006 - ~~7.5%~~ 10.5%.

23 ~~(ii)~~ (iii) Employed on or after July 1, 2006 - ~~8%~~ 11%.

24 \* \* \*

25 (11) Teachers' Retirement System of Louisiana:

26 \* \* \*

27 (c) Members who are employees of an institution of postsecondary  
28 education, the Board of Regents, or a postsecondary education management board  
29 who are not members of the optional retirement plan - 11%.

1 (d) All others - 8%.

2 \* \* \*

3 SUBPART P. LEGISLATIVE INTENT

4 §331. Legislative intent; certain Acts

5 The Legislature of Louisiana hereby declares that the intent of the provisions  
6 of this Title that were enacted by the Act that originated as House Bill No. of the  
7 2012 Regular Session is to attain and maintain the actuarial soundness of state and  
8 statewide systems as required by the Constitution of Louisiana, Art. X, Section 29.

9 Section 2. R.S. 11:62(5)(a) as amended by this Act shall not apply to an elected  
10 official during the term of office he is serving on July 1, 2012. The contribution rate for such  
11 a member shall remain what it was on July 1, 2012, for the duration of his term of office.  
12 After that term, R.S. 11:62(5)(a) as amended by this Act shall apply to a member holding  
13 that office.

14 Section 3. As soon as practicable after the effective date of this Act, the Public  
15 Retirement Systems' Actuarial Committee shall meet to adopt a revised valuation for the  
16 system prepared as provided in R.S. 11:102, applying the provisions of this Act. This  
17 valuation shall include a revised employer contribution rate for each plan within the system  
18 to be utilized in the fiscal year which begins on July 1, 2012.

19 Section 4. If a final judgment declares the provisions of this Act unconstitutional as  
20 they relate to a particular group of employees, the provisions of this Act shall remain in  
21 effect and applicable to employees unrelated to the judgment.

22 Section 5. This Act shall become effective on July 1, 2012; if vetoed by the governor  
23 and subsequently approved by the legislature, this Act shall become effective on July 1,  
24 2012, or on the day following such approval by the legislature, whichever is later.

## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Pearson

HB No. 56

**Abstract:** Relative to the La. State Employees' Retirement System (LASERS) and the Teachers' Retirement System of La. (TRSL) by increasing the employee contribution rate for certain members by 3%.

Present law establishes the rates at which members of retirement systems contribute to their retirement plans. Proposed law increases the contribution rates for many members of LASERS and TRSL by 3% as follows:

LASERS

- (1) Rank-and-file employees first employed on or before June 30, 2006, who are not members of the optional retirement plan: 7.5% to 10.5%.
- (2) Rank-and-file employees first employed on or after July 1, 2006: 8% to 11%.
- (3) Judges first employed on or before Dec. 31, 2010: 11.5% to 14.5%.
- (4) Judges first employed on or after Jan.1, 2011: 13% to 16%.
- (5) Legislators, governor, and lieutenant governor first employed on or before Dec. 31, 2010: 11.5% to 14.5%.
- (6) Governor and lieutenant governor first employed on or after Jan. 1, 2011 (legislators are no longer eligible for membership): 8% to 11%
- (7) Certain unelected court officers first employed on or before Dec. 31, 2010: 11.5% to 14.5%
- (8) Certain unelected court officers first employed on or after Jan. 1, 2011: 8% to 11%.
- (9) Clerk of the House, secretary of the Senate, and sergeant at arms of the House and Senate first employed on or before Dec. 31, 2010: 9.5% to 12.5%.
- (10) Clerk of the House, secretary of the Senate, and sergeant at arms of the House and Senate first employed on or after Jan. 1, 2011: 8% to 11%.

Proposed law retains present law by not increasing contribution rates for the following LASERS employees: certain public safety service employees and peace officers, wildlife agents, bridge police, members of the Hazardous Duty Services Plan, and members of the optional retirement plan.

TRSL

- (11) TRSL members who are employees of an institution of postsecondary education, the Board of Regents, or a postsecondary education management board who are not members of the optional retirement plan from 8% to 11%.

Proposed law, with respect to both LASERS and TRSL, also provides that the proposed increases in the employee contribution rates do not apply to elected officials in office on the effective date of proposed law for the remainder of the term being served on that date; that if proposed law is declared unconstitutional as it relates to a particular group of employees, the provisions of proposed law remain in effect and applicable to employees unrelated to the judgment; and requires the Public Retirement Systems' Actuarial Committee (PRSAC) to meet as soon as practicable to adopt a revised actuarial valuation for LASERS and to adopt a revised employer contribution rate taking into account the provisions of proposed law.

Effective July 1, 2012.

(Amends R.S. 11:62(5)(a), (c), and (e) and (11)(c); Adds R.S. 11:62(11)(d) and 331)