

Regular Session, 2012

SENATE BILL NO. 10

BY SENATOR GUILLORY

RETIREMENT SYSTEMS. Provides for clarification of valuation method application.  
(6/30/12)

AN ACT

To enact R.S. 11:22(D), relative to actuarial valuation methods for state and statewide retirement systems; to provide for conversion of such methods; to specify the method to be utilized once the frozen unfunded actuarial accrued liability of certain systems has been fully amortized; to provide for an effective date; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:22(D) is hereby enacted to read as follows:

§22. Methods of actuarial valuation established

\* \* \*

**D. For any of the systems set forth in Subsection B of this Section which are funded utilizing the frozen attained age normal method, the actuarial valuation method of such system shall be converted to the aggregate funding method in the system's first valuation in which the frozen unfunded actuarial accrued liability is fully amortized.**

Section 2. This Act shall become effective on June 30, 2012; if vetoed by the

1 governor and subsequently approved by the legislature, this Act shall become effective on  
2 June 30, 2012, or on the day following such approval by the legislature, whichever is later.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Laura Gail Sullivan.

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#### DIGEST

Guillory (SB 10)

Present constitution (Article X, Section 29(E)(1)) provides that the legislature shall establish by law for each state or statewide retirement system the particular method of actuarial valuation to be employed for purposes of actuarially sound funding.

Present law (R.S. 11:22) establishes the actuarial funding methods to be utilized for the state and statewide retirement systems in determining actuarially required contributions.

Present law provides for the following funding methods:

- (1) Frozen attained age normal
- (2) Aggregate
- (3) Entry age normal
- (4) Projected unit credit

Present law provides that the following systems shall utilize the frozen attained age normal funding method:

- (1) Assessors' Retirement Fund
- (2) Clerks' of Court Retirement and Relief Fund
- (3) Municipal Employees' Retirement System of Louisiana
- (4) Parochial Employees' Retirement System of Louisiana Plan A
- (5) Sheriffs' Pension and Relief Fund

Proposed law retains present law.

Proposed law provides that the method of any system utilizing the frozen attained age normal method shall be converted to the aggregate method in the system's first valuation following the full amortization of the system's frozen unfunded accrued liability.

Effective June 30, 2012.

(Adds R.S. 11:22(D))