

Regular Session, 2013

SENATE BILL NO. 13

BY SENATOR LONG

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

STATE POLICE RET FUND. Provides for powers and duties of the board of trustees.
(6/30/13)

1 AN ACT

2 To enact R.S. 11:1302.2, relative to the Louisiana State Police Retirement System; to

3 provide for powers and duties of the board of trustees; to provide for coordination

4 with federal tax qualification provisions; to provide for an effective date; and to

5 provide for related matters.

6 Notice of intention to introduce this Act has been published.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 11:1302.2 is hereby enacted to read as follows:

9 **§1302.2. Actuary; appointment; duties and powers; actuarial assumptions**

10 **A.(1) The board of trustees shall designate an actuary who shall be a**

11 **technical advisor of the board of trustees on matters regarding the operation of**

12 **the retirement system created by the provisions of this Chapter, and shall**

13 **perform such other duties as are required by law or by the board of trustees.**

14 **(2) Beginning with the 2012-2013 fiscal year, and at least once in each**

15 **five-year period thereafter, the actuary shall make an actuarial investigation**

16 **into the mortality, service, and compensation experience of the members and**

17 **beneficiaries of the retirement system, and shall make a valuation of the assets**

1 and liabilities of the system, and taking into account the result of such
2 investigation and valuation, the board of trustees shall:

3 (a) Adopt for the retirement system such mortality, service, and other
4 tables as shall be deemed necessary.

5 (b) Certify the rates of contribution payable by the state of Louisiana on
6 account of new entrants at various ages.

7 (3) On the basis of such tables as the board of trustees shall adopt, the
8 actuary shall make an annual valuation of the assets and liabilities of the system
9 created by this Chapter.

10 (4) Any new tables and interest assumptions adopted in accordance with
11 Subparagraph (2)(a) of this Subsection shall be applicable only with respect to
12 persons who are members on the date of adoption. Tables in effect on the date
13 of retirement shall remain applicable with respect to persons who retire prior
14 to the adoption of new tables.

15 B. (1) Effective June 30, 2013, unless different actuarial assumptions are
16 formally adopted and disclosed, as provided in Paragraph (2) of this Subsection,
17 the following assumptions shall determine the actuarial equivalents to be used
18 in this retirement system:

19 (a) Interest shall be compounded at the rate of seven and one-half
20 percent per annum.

21 (b) Annuity rates shall be determined on the basis of the RP-2000 Sex
22 Distinct Mortality Table.

23 (2) The board of trustees may authorize the use of interest and mortality
24 rates in determining the actuarial equivalents which are different from the
25 actuarial assumptions specified in Paragraph (1) of this Subsection. Any change
26 in such actuarial assumptions shall be considered a part of the plan provisions
27 of this retirement system and shall be considered an amendment to the plan
28 provisions contained in this Section. In order to be effective, such change shall
29 be formally adopted by the board of trustees as a rule or rules promulgated

1 pursuant to the Administrative Procedure Act and disclosed to members of the
 2 retirement system.

3 (3) No change in actuarial assumptions shall reduce a member's accrued
 4 benefit.

5 Section 2. This Act shall become effective on June 30, 2013; if vetoed by the
 6 governor and subsequently approved by the legislature, this act shall become effective on
 7 June 30, 2013, or on the day following such approval by the legislature, whichever is later.

The original instrument was prepared by Margaret M. Corley. The following digest, which does not constitute a part of the legislative instrument, was prepared by Jerry J. Guillot.

DIGEST

Long (SB 13)

Proposed law provides for the appointment of an actuary by the Louisiana State Police Retirement System board of trustees.

Proposed law provides that the appointed actuary shall be a technical advisor to the board of trustees regarding the operation of the plan and shall make a report to the board at least once every five years as to the mortality, service, and compensation experience of the members and beneficiaries of the retirement system.

Proposed law provides for the adoption of necessary tables and assumptions by the board of trustees.

Proposed law provides that, unless otherwise stated, the interest shall be compounded at the rate of 7.5% per annum and the annuity rates shall be determined on the basis of the RP-2000 Sex Distinct Mortality Table.

Requires the board to promulgate rules pursuant to the APA and to disclose to members any changes in interest and mortality rates contained in proposed law.

Provides that no change in actuarial assumptions shall reduce a member's accrued benefit.

Effective June 30, 2013.

(Adds R.S. 11:1302.2)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Retirement to the original bill

1. Provides that no change in actuarial assumptions shall reduce a member's accrued benefit.