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<u>Law</u>	<u>Description</u>	<u>Last Modified</u>
RS 11:102.1	Amortization payment schedules; priority excess return allocations; Louisiana State Employees' Retirement System	08/08/2016
RS 11:102.2	Amortization payment schedules; priority excess return allocations; Teachers' Retirement System of Louisiana	08/08/2016
RS 11:2139	Members' Supplemental Savings Fund	08/12/2003
RS 22:1476	Assessments against insurers; dedications	09/11/2018
RS 11:22	Methods of actuarial valuation established	12/11/2014
RS 11:102	Employer contributions; determination; state systems	08/25/2017
RS 11:104	Employer contributions; determination date; notification	08/13/2010
RS 11:121	Creation; purpose	08/14/2018
RS 11:502.3	Contributions	08/09/2010
RS 11:544	Department of Revenue Alcohol and Tobacco Control Officers Fund	09/28/2018
RS 11:927	Contributions	07/29/2016
RS 11:1007	Employment of retired bus drivers	03/01/2010
RS 11:2135	Pension accumulation fund; contributions to and payments from fund; determination of normal and accrued liability contributions; remedies	08/23/2013
RS 11:82	Ad valorem tax contributions established	11/16/2006
RS 11:102.6	Review of volatility	07/29/2016
RS 11:105	Employer contributions; maintaining rates	10/14/2016
RS 11:242	Cost-of-living adjustments; permanent benefit increases; restrictions	07/18/2013
RS 11:243	Cost-of-living adjustments; permanent benefit increases; restrictions; funding criteria	10/08/2014
RS 11:266.1	Investment through Louisiana incorporated and domiciled broker-dealer	08/09/2010
RS 11:403	Definitions	08/12/2010
RS 11:545	Department of Public Safety Peace Officers Fund	10/08/2014
RS 11:546	Adult Probation and Parole Officer Retirement Fund	10/08/2014
RS 11:1331.1	Cost-of-living adjustment; minimum benefit	08/09/2007
RS 11:1402	Definitions	12/11/2014
RS 11:1631	Retirement benefits; application; eligibility requirements	08/21/2012
RS 11:2260	Administration	01/03/2017

This List Contains 26 Items

§102.1. Amortization payment schedules; priority excess return allocations; Louisiana State Employees' Retirement System

A.(1) For the Louisiana State Employees' Retirement System, effective for the June 30, 2009 system valuation and with payments beginning July 1, 2010, all amortization bases existing on July 1, 2008, shall be consolidated as provided in this Section.

(2) There shall be two consolidated amortization bases calculated and amortized as provided in this Section. Any existing amortization base not included in a consolidated base pursuant to this Section shall remain separate and continue to be amortized and funded as otherwise provided by law.

(3) Beginning with Fiscal Year 2008-2009 and for each fiscal year thereafter, that year's changes, gains, and losses shall be calculated and payments therefor determined as provided in R.S. 11:102, except as otherwise specified in this Section.

(4) For purposes of this Section, the following shall apply:

(a) "Primary priority amount" shall mean the maximum amount of system returns in excess of the system's actuarially assumed rate of return that may be applied to the original amortization base, regardless of whether actual returns that equal or exceed the maximum are available, and shall equal:

(i) For the June 30, 2015 valuation, fifty million dollars.

(ii) For each valuation thereafter, the prior year's primary priority amount increased by the percentage increase in the system's actuarial value of assets for the prior year, if any.

(b) "Primary allocation" shall mean the actual returns available for application to the original amortization base.

(c) "Secondary priority amount" shall mean the maximum amount of system returns in excess of the system's actuarially assumed rate of return that may be applied to the experience account amortization base, regardless of whether actual returns that equal or exceed the maximum are available, and shall equal:

(i) For the June 30, 2015 valuation, fifty million dollars.

(ii) For each valuation thereafter, before the original amortization base is liquidated, the prior year's secondary priority amount increased by the percentage increase in the system's actuarial value of assets for the prior year, if any.

(iii) For the valuation in which the original amortization base is liquidated, that year's secondary priority amount calculated pursuant to Item (ii) of this Subparagraph plus any money from that year's primary priority amount remaining after liquidation of the original amortization base.

(iv) For the first valuation after the original amortization base is liquidated, the portion of the prior year's primary priority amount that was necessary to liquidate the original amortization base plus the prior year's secondary priority amount, both increased by the percentage increase in the system's actuarial value of assets for the prior year, if any.

(v) For the second valuation after the original amortization base is liquidated and

for each valuation thereafter, the prior year's secondary priority amount increased by the percentage increase in the system's actuarial value of assets for the prior year, if any.

(d) "Secondary allocation" shall mean the actual returns available for application to the experience account amortization base.

(e) "Residual priority amount" shall mean the maximum amount of system returns in excess of the system's actuarially assumed rate of return that may be applied to the oldest outstanding positive amortization base after liquidation of the experience account amortization base, regardless of whether actual returns that equal or exceed the maximum are available, and shall equal:

(i) For the valuation in which the experience account amortization base is liquidated, the money from that year's secondary allocation remaining after liquidation of the experience account amortization base, if any.

(ii) For the first valuation after the experience account amortization base is liquidated, the prior year's secondary priority amount, increased by the percentage increase in the system's actuarial value of assets for the prior year, if any.

(iii) For the second valuation after the experience account amortization base is liquidated and for each valuation thereafter, the prior year's residual priority amount increased by the percentage increase in the system's actuarial value of assets for the prior year, if any.

(f) "Residual allocation" shall mean the actual returns available for application to the oldest outstanding positive amortization base after liquidation of the experience account amortization base.

(g) In no event shall the total of one year's priority amounts be less than the total of the previous year's priority amounts.

(h) Notwithstanding the provisions of Subparagraph (i) of this Paragraph, effective for the June thirtieth valuation following the fiscal year in which the system first attains a funded percentage of eighty or more pursuant to R.S. 11:542 and for each valuation thereafter, the net remaining liability of the amortization base to which the funds are applied shall be reamortized with annual level-dollar payments calculated as provided in R.S. 11:102 over the remainder of the amortization period originally established for that amortization base.

(i) Beginning with Fiscal Year 2019-2020 and every fifth fiscal year thereafter, the remaining liability net of all payments made since the last reamortization shall be reamortized over the remainder of the amortization period originally established for that amortization base with annual payments calculated as provided for in this Section.

(j) Except as provided in Subparagraphs (h) and (i) of this Paragraph and in Item (B)(3)(a)(iv) of this Section, the net remaining liability of the amortization base to which the funds are applied shall not be reamortized after such application.

B. Original amortization base.

(1) The remaining balances of outstanding amortization bases in excess of twenty years for the years 1993 through 1995, 1997 and 1998, and 2005 through 2007, excluding the amortization base for liability created by Act No. 414 of the 2007 Regular Session of

the Legislature, as specified in the June 30, 2008 system valuation adopted by the Public Retirement Systems' Actuarial Committee on February 5, 2009, shall be consolidated into a single amortization base effective for the June 30, 2009 system valuation with payments beginning on July 1, 2010.

(2)(a) To this base shall be applied any monies in the separate fund known alternatively as the "Texaco Account" or the "Initial Unfunded Accrued Liability Account" on June 30, 2010, and any appropriation provided in the 2009 Regular Session of the Legislature.

(b) The balance in this account as of June 30, 2008, exclusive of any subaccount balance, shall be credited with interest at the system's actuarially assumed interest rate until the funds in the account are applied as provided in this Subsection.

(3)(a) This consolidated amortization base shall be known as the "original amortization base" and shall be amortized with annual payments calculated as follows:

(i) For Fiscal Year 2010-2011, the projected payment shall be the amount specified in the June 30, 2009 system valuation adopted by the Public Retirement Systems' Actuarial Committee pursuant to R.S. 11:127. The actuarially required contribution shall be determined in accordance with the provisions of R.S. 11:102 in the June 30, 2010 system valuation adopted by the committee.

(ii) Payments thereafter shall form an annuity increasing at six and one-half percent for one year, at five and one-half percent annually for the following four years, and at five percent annually for the following two years.

(iii) Beginning in Fiscal Year 2018-2019, the payments shall be amortized over the remaining period with payments forming an annuity increasing at two percent annually.

(iv) Notwithstanding any provision of this Section to the contrary, the net remaining liability shall be reamortized over the remainder of the amortization period ending in 2029 in the first valuation after Fiscal Year 2019-2020 for which this reamortization results in annual level-dollar payments that do not exceed the payment otherwise required for that year's valuation.

(b) The first payment after this consolidation shall be made in Fiscal Year 2010-2011 and the final payment shall be made no later than Fiscal Year 2028-2029.

(4) Except as provided in Paragraph (6) of this Subsection, in any year in which the system exceeds its actuarially assumed rate of return, the primary allocation shall be applied to the remaining balance of the original amortization base established in this Subsection.

(5) Notwithstanding the provisions of R.S. 11:102(B)(3)(c) and (5) or any other provision of law to the contrary, in any year through Fiscal Year 2016-2017 in which the system receives an overpayment of employer contributions as determined pursuant to R.S. 11:102(B)(2) and in any year through Fiscal Year 2016-2017 in which the system receives additional contributions pursuant to R.S. 11:102(B)(5), the amount of such overpayment or additional contribution shall be applied to the remaining balance of the original amortization base established pursuant to this Subsection.

(6) For the June 30, 2014 valuation, if the system exceeds its actuarially assumed

rate of return, the excess returns, up to the first twenty-five million dollars, shall be applied to the remaining balance of the original amortization base established in this Subsection, without reamortization of such base.

C. Experience account amortization base.

(1) The remaining balances of outstanding amortization bases for the years 1996, 1999 through 2004, and 2008, as specified in the system valuation adopted by the Public Retirement Systems' Actuarial Committee on February 5, 2009, shall be consolidated into a single amortization base, effective for the June 30, 2009 system valuation with payments beginning on July 1, 2010.

(2) To this shall be applied the balance in the experience account or the balance in the subaccount of the Texaco Account created pursuant to R.S. 11:542.

(3) This consolidated amortization base shall be known as the "experience account amortization base" and shall be amortized with annual payments over a thirty-year period beginning in Fiscal Year 2010-2011 as follows:

(a) For Fiscal Year 2010-2011, the projected payment shall be the amount specified in the June 30, 2009 system valuation adopted by the Public Retirement Systems' Actuarial Committee pursuant to R.S. 11:127. The actuarially required contribution shall be determined in accordance with the provisions of R.S. 11:102 in the June 30, 2010 system valuation adopted by the committee.

(b) Payments thereafter shall form an annuity increasing at six and one-half percent for one year, five and one-half percent for the following four years, and five percent for the following two years.

(c) Beginning in Fiscal Year 2018-2019, the outstanding balance shall be amortized over the remaining period with annual level-dollar payments.

(4) Except as provided in Paragraph (6) of this Subsection, in any year before the liquidation of the original amortization base in which the excess returns of the system exceed the primary priority amount, the secondary allocation shall be applied to the experience account amortization base established in this Subsection. In the year in which the original amortization base is liquidated and for each year thereafter until the experience account amortization base is liquidated, the secondary allocation shall be applied to the experience account amortization base.

(5) Notwithstanding the provisions of R.S. 11:102(B)(3)(c) and (5) or any other provision of law to the contrary, in any year from Fiscal Year 2017-2018 through Fiscal Year 2039-2040 in which the system receives an overpayment of employer contributions as determined pursuant to R.S. 11:102(B)(2) and in any year from Fiscal Year 2017-2018 through Fiscal Year 2039-2040 in which the system receives additional contributions pursuant to R.S. 11:102(B)(5), the amount of such overpayment or additional contribution shall be applied to the remaining balance of the experience account amortization base established pursuant to this Subsection.

(6) For the June 30, 2014 valuation, if the excess returns of the system exceed the amount applied to the original amortization base pursuant to Paragraph (B)(6) of this Section, the remaining excess returns, up to the next twenty-five million dollars, shall be

applied to the remaining balance of the experience account amortization base established in this Subsection, without reamortization of such base.

D.(1) If both the original amortization base and the experience account amortization base have been liquidated, the residual allocation shall be applied to the system's oldest outstanding positive amortization base, excluding any liability established pursuant to R.S. 11:102(B)(2)(a) or (3)(c) or (C)(6)(c) until all such bases are completely liquidated. After the final base is completely liquidated, the assets shall be treated as provided in R.S. 11:102(B)(4).

(2) If there are multiple positive bases of the same age and the same duration, all such bases shall be collapsed into a single base for purposes of this Subsection.

(3) If there are multiple positive bases of the same age but of different durations, the oldest outstanding positive amortization base with the shortest remaining amortization period shall be treated as the "oldest" for purposes of this Subsection.

Added by Acts 2009, No. 497, §1, eff. June 30, 2009; Acts 2014, No. 399, §1, eff. June 30, 2014; Acts 2016, No. 95, §1, eff. June 30, 2016.

§102.2. Amortization payment schedules; priority excess return allocations; Teachers' Retirement System of Louisiana

A.(1) For the Teachers' Retirement System of Louisiana, effective for the June 30, 2009 system valuation and with annual payments beginning July 1, 2010, all amortization bases existing on July 1, 2008, shall be consolidated as provided in this Section.

(2) There shall be two consolidated amortization bases calculated and amortized as provided in this Section.

(3) Beginning with Fiscal Year 2008-2009 and for each fiscal year thereafter, that year's changes, gains, and losses shall be calculated and payments therefor determined as provided in R.S. 11:102, except as otherwise specified in this Section.

(4) For purposes of this Section, the following shall apply:

(a) "Primary priority amount" shall mean the maximum amount of system returns in excess of the system's actuarially assumed rate of return that may be applied to the original amortization base, regardless of whether actual returns that equal or exceed the maximum are available, and shall equal:

(i) For the June 30, 2015 valuation, one hundred million dollars.

(ii) For each valuation thereafter, the prior year's primary priority amount increased by the percentage increase in the system's actuarial value of assets for the prior year, if any.

(b) "Primary allocation" shall mean the actual returns available for application to the original amortization base.

(c) "Secondary priority amount" shall mean the maximum amount of system returns in excess of the system's actuarially assumed rate of return that may be applied to the experience account amortization base, regardless of whether actual returns that equal or exceed the maximum are available, and shall equal:

(i) For the June 30, 2015 valuation, one hundred million dollars.

(ii) For each valuation thereafter, before the original amortization base is

liquidated, the prior year's secondary priority amount increased by the percentage increase in the system's actuarial value of assets for the prior year, if any.

(iii) For the valuation in which the original amortization base is liquidated, that year's secondary priority amount calculated pursuant to Item (ii) of this Subparagraph plus any money from that year's primary priority amount remaining after liquidation of the original amortization base.

(iv) For the first valuation after the original amortization base is liquidated, the portion of the prior year's primary priority amount that was necessary to liquidate the original amortization base plus the prior year's secondary priority amount, both increased by the percentage increase in the system's actuarial value of assets for the prior year, if any.

(v) For the second valuation after the original amortization base is liquidated and for each valuation thereafter, the prior year's secondary priority amount increased by the percentage increase in the system's actuarial value of assets for the prior year, if any.

(d) "Secondary allocation" shall mean the actual returns available for application to the experience account amortization base.

(e) "Residual priority amount" shall mean the maximum amount of system returns in excess of the system's actuarially assumed rate of return that may be applied to the oldest outstanding positive amortization base after liquidation of the experience account amortization base, regardless of whether actual returns that equal or exceed the maximum are available, and shall equal:

(i) For the valuation in which the experience account amortization base is liquidated, the money from that year's secondary allocation remaining after liquidation of the experience account amortization base, if any.

(ii) For the first valuation after the experience account amortization base is liquidated, the prior year's secondary priority amount, increased by the percentage increase in the system's actuarial value of assets for the prior year, if any.

(iii) For the second valuation after the experience account amortization base is liquidated and for each valuation thereafter, the prior year's residual priority amount increased by the percentage increase in the system's actuarial value of assets for the prior year, if any.

(f) "Residual allocation" shall mean the actual returns available for application to the oldest outstanding positive amortization base after liquidation of the experience account amortization base.

(g) In no event shall the total of one year's priority amounts be less than the total of the previous year's priority amounts.

(h) Notwithstanding the provisions of Subparagraph (i) of this Paragraph, effective for the June thirtieth valuation following the fiscal year in which the system first attains a funded percentage of eighty or more pursuant to R.S. 11:883.1 and for each valuation thereafter, the net remaining liability of the amortization base to which the funds are applied shall be reamortized with annual level-dollar payments calculated as provided in R.S. 11:102 over the remainder of the amortization period originally established for that

amortization base.

(i) Beginning with the 2019-2020 Fiscal Year and every fifth fiscal year thereafter, the remaining liability net of all payments made since the last reamortization shall be reamortized over the remainder of the amortization period originally established for that amortization base with annual payments calculated as provided for in this Section.

(j) Except as provided in Subparagraphs (h) and (i) of this Paragraph and in Item (B)(3)(a)(iv) of this Section, the net remaining liability of the amortization base to which the funds are applied shall not be reamortized after such application.

B. Original amortization base.

(1) The remaining balances of outstanding amortization bases for the years 1993 through 1996, 1998 through 2000, and 2005 through 2008 as specified in the June 30, 2008 system valuation adopted by the Public Retirement Systems' Actuarial Committee on February 5, 2009, shall be consolidated into a single amortization base effective for the June 30, 2009 system valuation with payments beginning on July 1, 2010.

(2)(a) To this base shall be applied any monies in the separate fund known alternatively as the "Texaco Account" or the "Initial Unfunded Accrued Liability Account" on June 30, 2010, and any appropriation provided in the 2009 Regular Session of the Legislature. The balance in this account as of June 30, 2008, exclusive of any subaccount balance, shall be credited with interest at the system's actuarially assumed interest rate until the funds in the account are applied as provided in this Subsection.

(b) To this base shall also be applied any monies in the employer credit account on June 30, 2010.

(3)(a) This consolidated amortization base shall be known as the "original amortization base" and shall be amortized with annual payments calculated as follows:

(i) For Fiscal Year 2010-2011, the projected payment shall be the amount specified in the June 30, 2009 system valuation adopted by the Public Retirement Systems' Actuarial Committee pursuant to R.S. 11:127. The actuarially required contribution shall be determined in accordance with the provisions of R.S. 11:102 in the June 30, 2010 system valuation adopted by the committee.

(ii) Payments thereafter shall form an annuity increasing at seven percent annually for three years and at six and one-half percent annually for the following four years.

(iii) Beginning in Fiscal Year 2018-2019, the payments shall be amortized over the remaining period with payments forming an annuity increasing at two percent annually.

(iv) Notwithstanding any provision of this Section to the contrary, the net remaining liability shall be reamortized over the remainder of the amortization period ending in 2029 in the first valuation after Fiscal Year 2019-2020 for which this reamortization results in annual level-dollar payments that do not exceed the payment otherwise required for that valuation.

(b) The first payment shall be made in Fiscal Year 2010-2011 and the final payment shall be made no later than Fiscal Year 2028-2029.

(4) Except as provided in Paragraph (5) of this Subsection, in any year in which the system exceeds its actuarially assumed rate of return, the primary allocation shall be

applied to the remaining balance of the original amortization base established in this Subsection.

(5) For the June 30, 2014 valuation, if the system exceeds its actuarially assumed rate of return, the excess returns, up to the first fifty million dollars, shall be applied to the remaining balance of the original amortization base established in this Subsection, without reamortization of such base.

C. Experience account amortization base.

(1) The remaining balances of outstanding amortization bases for the years 1997, 2001 through 2004, and 2008, as specified in the system valuation adopted by the Public Retirement Systems' Actuarial Committee on February 5, 2009, shall be consolidated into a single amortization base, effective for the June 30, 2009 system valuation with payments beginning on July 1, 2010.

(2) To this shall be applied the balance in the experience account or the balance in the subaccount of the Texaco Account created pursuant to R.S. 11:883.1.

(3) This consolidated amortization base shall be known as the "experience account amortization base" and shall be amortized with annual payments over a thirty-year period beginning in Fiscal Year 2010-2011 as follows:

(a) For Fiscal Year 2010-2011, the projected payment shall be the amount specified in the June 30, 2009 system valuation adopted by the Public Retirement Systems' Actuarial Committee pursuant to R.S. 11:127. The actuarially required contribution shall be determined in accordance with the provisions of R.S. 11:102 in the June 30, 2010 system valuation adopted by the committee.

(b) Payments thereafter shall form an annuity increasing at seven percent annually for three years and at six and one-half percent annually for the following four years.

(c) Beginning in Fiscal Year 2018-2019, the outstanding balance shall be amortized over the remaining period with annual level-dollar payments.

(4) Except as provided in Paragraph (6) of this Subsection, in any year before the liquidation of the original amortization base in which the excess returns of the system exceed the primary priority amount, the secondary allocation shall be applied to the experience account amortization base established in this Subsection. In the year in which the original amortization base is liquidated and for each year thereafter until the experience account amortization base is liquidated, the secondary allocation shall be applied to the experience account amortization base.

(5) Notwithstanding the provisions of R.S. 11:102(B)(3)(c) and (5) or any other provision of law to the contrary, in any year from Fiscal Year 2009-2010 through Fiscal Year 2039-2040 in which the system receives an overpayment of employer contributions as determined pursuant to R.S. 11:102(B)(2) and in any year from Fiscal Year 2009-2010 through Fiscal Year 2039-2040 in which the system receives additional contributions pursuant to R.S. 11:102(B)(5), the amount of such overpayment or additional contribution shall be applied to the remaining balance of the experience account amortization base established pursuant to this Subsection.

(6) For the June 30, 2014 valuation, if the excess returns of the system exceed the

amount applied to the original amortization base pursuant to Paragraph (B)(5) of this Section, the remaining excess returns, up to the next fifty million dollars, shall be applied to the remaining balance of the experience account amortization base established in this Subsection, without reamortization of such base.

D.(1) If both the original amortization base and the experience account amortization base have been liquidated, the residual allocation shall be applied to the system's oldest outstanding positive amortization base, excluding any liability established pursuant to R.S. 11:102(B)(2)(a) or (3)(c) or (D)(6)(c), until all such bases are completely liquidated. After the final base is completely liquidated, the assets shall be treated as provided in R.S. 11:102(B)(4).

(2) If there are multiple positive bases of the same age and the same duration, all such bases shall be collapsed into a single base for purposes of this Subsection.

(3) If there are multiple positive bases of the same age but of different durations, the oldest outstanding positive amortization base with the shortest remaining amortization period shall be treated as the "oldest" for purposes of this Subsection.

Added by Acts 2009, No. 497, §1, eff. June 30, 2009; Acts 2014, No. 399, §1, eff. June 30, 2014; Acts 2016, No. 95, §1, eff. June 30, 2016.

CHAPTER 3. PUBLIC RETIREMENT SYSTEMS' ACTUARIAL COMMITTEE

§121. Creation; purpose

A. The Public Retirement Systems' Actuarial Committee is hereby created and established as the public retirement and pension system advisor of the Legislature of Louisiana.

B. The legislature recognizes that the fiscal integrity of the state and statewide public retirement and pension systems, plans, and funds is a priority and is necessitated by the current financial condition of the systems, plans, and funds. This actuarial committee is created with the intent that a plan can be developed to insure orderly and consistent strategies for continuing development and growth that will attain and maintain the soundness of the systems, plans, and funds. The purpose of this Chapter is to provide an entity to advise and coordinate this ongoing process and to report to the House and Senate committees on retirement and the Joint Legislative Committee on the Budget all findings and recommendations.

Acts 1988, No. 81, §2, eff. July 1, 1988; Acts 2010, No. 874, §1, eff. July 1, 2010; Acts 2018, No. 399, §1, eff. June 30, 2018.

§2139. Members' Supplemental Savings Fund

A. The Members' Supplemental Savings Fund shall be the fund in which shall be accumulated contributions from the dedicated taxes and revenue sharing to the system in excess of those required contributions to the Pension Accumulation Fund as established by the Public Retirement Systems' Actuarial Committee, not to exceed three percent of the salaries paid during the fiscal year preceding the year in which funds are received. Funds shall be transferred from the depository for such deductible taxes to the Members' Supplemental Savings Fund and allocated at the end of each fiscal year to the members'

individual accounts in proportion to the salaries reported during the fiscal year for active contributing members who are still employed by the employer at the end of the fiscal year. The actual amount of funds to be transferred to the Members' Supplemental Savings Fund shall be three percent of the salaries paid during the fiscal year preceding the year in which the funds are received to members who were active contributing members during the fiscal year unless the Public Retirement Systems' Actuarial Committee recommends a lesser percentage based on the requirements of the Pension Accumulation Fund and available dedicated taxes.

B. Should any member of the system terminate membership in the system due to resignation, retirement, disability, death, or for any other reason involving termination of employment, he shall be entitled to payment of all contributions and interest or other earnings or losses credited to his account as of the date of payment, provided he remains out of service until such time as the payments are required to be paid in accordance with the provisions of Subsection C of this Section.

C. Payments to the member from the account shall be made at the end of the calendar quarter following the calendar quarter in which the member terminates.

D. Interest and other earnings or losses shall be allocated at least once each year on the valuation date or dates of the fund. The valuation date shall include the last day of the fiscal year of the system and any other dates which the Board of Trustees designate for valuing the assets of the fund. Such earnings or losses shall be allocated to members in proportion to their account balances as of the first day of the period for which the earnings are credited, reduced by any distributions from such account during the valuation period; for this purpose, a contribution to the Members' Supplemental Savings Fund made after the close of the fiscal year but attributable to such fiscal year shall be considered to have been made on the last day of such fiscal year.

E. The funds in the Members' Supplemental Savings Fund shall be invested separately from the other funds held by the system in accordance with the guidelines established by the Board of Trustees. The aggregate of the members' individual supplemental savings accounts shall be separately allocated and shall be entitled the "Members' Supplemental Savings Fund". Such fund shall constitute a separate trust fund and shall not be available for the payment of any benefits other than those attributable to the contributions and earnings under the Members' Supplemental Savings Fund. Accrued interest and other earnings or losses shall be credited based on the actual accrued fund balance for those funds. Such funds may not revert to the employer or employers, either directly or indirectly, except in the case of a contribution made as a result of a mistake of fact, in which case such contribution may be returned to the employer, within one year of the mistaken contribution. Once funds are contributed to the Members' Supplemental Savings Fund, they shall be used for the exclusive benefit of members and their beneficiaries in order to provide benefits under the Members' Supplemental Savings Fund. Such funds may not be used to defray any costs or expenses of the retirement system other than those attributable to the Members' Supplemental Savings Fund, nor may they be used to provide benefits required to be provided under the Pension Accumulation

Fund or any portion of the retirement system other than the Members' Supplemental Savings Fund.

F. Payments, accruals, and allocations due to be made at the end of the fiscal year may be delayed until such time as the necessary financial information is available to the system's administrator but in no event later than six months after the close of the fiscal year.

G.(1) Should any change or error in the records either through administrative error or fraud result in any member receiving or having credited to his account more or less than he would have been entitled to receive had the records been correct, the board shall correct such error, and so far as is practicable, shall adjust the account balance or future payments to be paid to the member from the fund.

(2) Notwithstanding the provisions of Subsection A of this Section, should it be determined that through administrative error the fund received in any one year more or less than it was entitled to receive for that year, an adjustment shall be made to the amount of funds to be transferred to the Members' Supplemental Savings Fund in the following year. The total of the funds transferred shall not exceed the available funds from dedicated taxes and revenue sharing in excess of those required contributions to the Pension Accumulation Fund as established by the Public Retirement Systems' Actuarial Committee.

(3) The allocation of funds to the member's individual account shall be based on the actual amount received during the fiscal year and no retroactive reallocation of individual account balances shall be made for any adjustment in the aggregate amount of funds received under Paragraph (2) of this Subsection, except that reallocation shall be made for any adjustment occurring prior to July 1, 1993.

Acts 1990, No. 433, §1, eff. Jan. 1, 1991; Acts 1991, No. 494, §1, eff. July 15, 1991; Redesignated from R.S. 18:1839 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1993, No. 929, §1, eff. July 1, 1993.

§127. Duties

A. The committee shall review and study, on a continuing basis, actuarial assumptions, funding methods, the unfunded liability determined by those methods, the amortization methods to reduce such unfunded liability, and such other matters as the committee deems appropriate. It shall make recommendations, subject to the unanimous approval of the committee, to the retirement systems, plans, and funds and to the House and Senate committees on retirement and the Joint Legislative Committee on the Budget.

B. The committee shall adopt, each year, an official valuation of each state or statewide public retirement system which shall be derived and revised only as provided in this Section.

C. The actuaries for the public retirement systems, plans, and funds and for the legislative auditor shall submit annual actuarial valuations to the committee. The committee shall review and analyze all the assumptions and valuations submitted. The committee shall, with the consent of a majority of members present and voting, approve a single valuation for each public retirement system, plan, or fund. Once consent of the members is obtained, the

actuarial valuations in the form of the official valuations adopted by the committee shall be submitted to the House and Senate committees on retirement and the Joint Legislative Committee on the Budget.

D. Each agency represented by a member of the committee shall provide clerical staff and clerical support as requested by any member of the committee in fulfillment of the duties of the committee.

Acts 1988, No. 81, §2, eff. July 1, 1988; Acts 1991, No. 1038, §1; Acts 1993, No. 342, §1; Acts 2001, No. 154, §1, eff. July 1, 2001; Acts 2010, No. 874, §1, eff. July 1, 2010.

§102. Employer contributions; determination; state systems

A. The provisions of this Section are applicable with respect to the state public retirement systems, whose benefits are guaranteed by Article X, Section 29(A) and (B) of the Constitution of Louisiana.

B.(1) Except as provided in R.S. 11:102.1, 102.2, 102.3, 102.4, and 102.5 and in Paragraph (5) of this Subsection, for each fiscal year, commencing with Fiscal Year 1989-1990, for each of the public retirement systems referenced in Subsection A of this Section, the legislature shall set the required employer contribution rate for each system or plan equal to the actuarially required employer contribution, as determined pursuant to the provisions of this Section, divided by the total projected payroll of all active members of each particular system or plan for the fiscal year. Each entity funding a portion of a member's salary shall also fund the employer's contribution on that portion of the member's salary at the employer contribution rate specified in this Section.

(2)(a) At the end of each fiscal year, the difference between the actuarially required employer contribution for the fiscal year, as determined pursuant to the provisions of this Section, and the amount of employer contributions actually received for the fiscal year, excluding any amounts received for the extraordinary purchase of additional benefits or service, shall be determined.

(b) If the amount of employer contributions received for the fiscal year is less than the actuarially required employer contribution for the fiscal year due to the failure of the legislature to appropriate funds at the required employer contribution rate, the difference shall be paid by the state treasurer from the state general fund upon warrant from the governing authority of the retirement system.

(c) At the end of each fiscal year, the difference between the minimum employer contribution, as required by the Constitution of Louisiana, and the actuarially required employer contribution for the fiscal year, as determined pursuant to the provisions of this Section, shall be determined and applied in accordance with the following provisions:

(i) The amount, if any, by which the actuarially required contribution for a system exceeds the constitutionally required minimum contribution for that system shall be accumulated in an employer credit account which shall be adjusted annually to reflect any gain or loss attributable to the balance in the account at the actuarial rate of return earned by the system.

(ii) Except as provided in Paragraph (5) of this Subsection, annual contributions required in accordance with this Section, or the constitutional minimum if greater, may be

funded in whole or in part from the employer credit account, provided the employee contribution rate or rates for the system as set forth in R.S. 11:62 has or have been reduced to an amount equal to or less than fifty percent of the annual normal cost for the system or the plan rounded to the nearest one-quarter percent.

(d) Except as provided in R.S. 11:102.1 and 102.2, differences occurring for any other reason shall be added to or subtracted from the following fiscal year's actuarially required employer contribution in accordance with the provisions of this Section.

(3) With respect to each state public retirement system, the actuarially required employer contribution for each fiscal year, commencing with Fiscal Year 1989-1990, shall be that dollar amount equal to the sum of:

(a) The employer's normal cost for that fiscal year, computed as of the first of the fiscal year using the system's actuarial funding method as specified in R.S. 11:22 and taking into account the value of future accumulated employee contributions and interest thereon, such employer's normal cost rate multiplied by the total projected payroll for all active members to the middle of that fiscal year. For the Louisiana State Employees' Retirement System, effective for the June 30, 2010 system valuation and beginning with Fiscal Year 2011-2012, the normal cost shall be determined in accordance with Subsection C of this Section. For the Teachers' Retirement System of Louisiana, effective for the June 30, 2011 system valuation and beginning with Fiscal Year 2012-2013, the normal cost shall be determined in accordance with Subsection D of this Section.

(b) That fiscal year's payment, computed as of the first of that fiscal year and projected to the middle of that fiscal year at the actuarially assumed interest rate, taking into account consolidation with other amortization bases, if any, as provided in R.S. 11:42, 102.1, and 102.2, and using the system's amortization method specified in R.S. 11:42, necessary to amortize the unfunded accrued liability as of June 30, 1988, such unfunded accrued liability computed using the system's actuarial funding method as specified in R.S. 11:22.

(c) Except as provided in R.S. 11:102.1 and 102.2, that fiscal year's payment, computed as of the first of that fiscal year and projected to the middle of that fiscal year at the actuarially assumed interest rate, necessary to amortize the prior year's over or underpayment as a level dollar amount over a period of five years.

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

(i) Actuarial gains and losses, if appropriate for the funding method used by the system as specified in R.S. 11:22, for each fiscal year beginning after June 30, 1988, such payments to be computed as provided in Subsection C, D, E, or F of this Section.

(ii) Changes in the method of valuing of assets, such payments to be computed as provided in Subsection C, D, E, or F of this Section.

(iii) Changes in actuarial assumptions or actuarial funding methods, excluding changes in methods of valuing of assets, such payments to be computed as provided in Subsection C, D, E, or F of this Section.

(iv) Changes in actuarial accrued liability, computed using the actuarial funding

method as specified in R.S. 11:22, due to legislation changing plan provisions, such payments to be computed in the manner and over the time period specified in the legislation creating the change or, if not specified in such legislation, as provided in Subsection C, D, E, or F of this Section.

(v) Repealed by Acts 2016, No. 95, §2, eff. June 30, 2016.

(vi) Repealed by Acts 2016, No. 95, §2, eff. June 30, 2016.

(vii) Repealed by Acts 2016, No. 95, §2, eff. June 30, 2016.

(viii) Repealed by Acts 2016, No. 95, §2, eff. June 30, 2016.

(e) Beginning in the first fiscal year in which the projected aggregate employer contribution rate, calculated without regard to any changes in the board-approved actuarial valuation rate, will not increase, the projected noninvestment-related administrative expenses for the fiscal year.

(4) At the end of the fiscal year during which the assets of a system, excluding the outstanding balance due to Subparagraph (B)(3)(c) of this Section, exceed the actuarial accrued liability of that system, the amortization schedules calculated pursuant to Subparagraphs (B)(3)(b) and (d) and Subsection C, D, E, or F of this Section shall be fully liquidated and assets in excess of the actuarial accrued liability shall be amortized as a credit in accordance with the provisions of Subparagraph (B)(3)(d) and Subsection C, D, E, or F of this Section.

(5)(a) Notwithstanding any other provision of this Section to the contrary, the gross employer contribution rate for the Louisiana State Employees' Retirement System and the Teachers' Retirement System of Louisiana shall not be less than fifteen and one-half percent per year until such time as the unfunded accrued liability that existed on June 30, 2004, is fully funded.

(b) At the end of each fiscal year, the difference, if any, by which the amount of contributions received from payment of all employer contributions at the fixed minimum employer contribution rate established pursuant to this Paragraph exceeds the greater of the minimum employer contribution required by Article X, Section 29 of the Constitution of Louisiana or the statutory minimum employer contribution calculated according to the methodology provided for in Subparagraph (3)(d) of this Subsection or in Subsection C or D of this Section shall be accumulated in an employer credit account for the respective system.

(c) The employer credit account shall be adjusted annually to reflect any gain or loss attributable to the balance in the account at the actuarial rate of return earned by the system.

(d)(i) Except as provided in R.S. 11:102.1 and 102.2, the employer credit account of a system shall be used exclusively to reduce any unfunded accrued liability of that system created before July 1, 2004, and shall not be debited for any other purpose.

(ii) Effective for the June 30, 2009 system valuation and beginning July 1, 2010, any funds in the system's employer credit account shall be applied to the remaining balance of the original amortization base or the experience account amortization base established in accordance with and as further provided by R.S. 11:102.1 or 102.2.

C.(1) The provisions of this Subsection shall apply to the Louisiana State Employees'

Retirement System.

(2)(a) Except as provided in Subparagraph (b) of this Paragraph and in R.S. 11:102.5, effective July 1, 2004, and beginning with Fiscal Year 1998-1999, the amortization period for the changes, gains, or losses of the system provided in Items (B)(3)(d)(i) through (iv) of this Section shall be thirty years from the year in which the change, gain, or loss occurred. The outstanding balances of amortization bases established pursuant to Items (B)(3)(d)(i) through (iv) of this Section before Fiscal Year 1998-1999, shall be amortized as a level-dollar amount from July 1, 2004, through June 30, 2029. Beginning with Fiscal Year 2003-2004, and for each fiscal year thereafter, the outstanding balances of amortization bases established pursuant to Items (B)(3)(d)(i) through (iv) of this Section shall be amortized as a level-dollar amount. Effective for the June 30, 2010 system valuation and beginning with Fiscal Year 2011-2012, amortization payments for changes in actuarial liability shall be determined in accordance with this Subsection.

(b) Notwithstanding the provisions of Subparagraph (a) of this Paragraph, effective for the June thirtieth valuation following the fiscal year in which the system first attains a funded percentage of seventy or more pursuant to R.S. 11:542 and for every year thereafter, the amortization period for the changes, gains, or losses of the system provided in Items (B)(3)(d)(i) through (iv) of this Section occurring in that year or thereafter shall be twenty years from the year in which the change, gain, or loss occurred.

(c) Effective for the first system valuation following June 30, 2015, in which an allocation is made to the system's experience account and for each valuation thereafter, actuarial gains allocated to the experience account shall be amortized as a loss with level payments over a ten-year period.

(3) The provisions of this Paragraph and Paragraphs (4) through (9) of this Subsection shall be effective for the June 30, 2010 system valuation and beginning Fiscal Year 2011-2012. For purposes of this Subsection, "plan" or "plans" shall mean a subgroup within the system characterized by the following employee classifications:

(a) Rank-and-file members of the system.

(b) Full-time law enforcement personnel, supervisors, or administrators who are employed with the Department of Revenue or office of alcohol and tobacco control and who are P.O.S.T. certified, have the power to arrest, and hold a commission from such office.

(c) Peace officers, as defined by R.S. 40:2402(3)(a), employed by the Department of Public Safety and Corrections, office of state police, other than state troopers.

(d) Judges and court officers to whom Subpart A of Part VII of Chapter 1 of Subtitle II of this Title is applicable.

(e) Wildlife agents to whom Subpart B of Part VII of Chapter 1 of Subtitle II of this Title is applicable.

(f) Wardens, correctional officers, probation and parole officers, and security personnel employed by the Department of Public Safety and Corrections who are members of the secondary component pursuant to Subpart C of Part VII of Chapter 1 of Subtitle II of this Title.

(g) Correctional officers, probation and parole officers, and security personnel

employed by the Department of Public Safety and Corrections who are members of the primary component.

(h) Legislators, the governor, and the lieutenant governor.

(i) Employees of the bridge police section of the Crescent City Connection Division of the Department of Transportation and Development.

(j) Hazardous duty plan members as provided pursuant to R.S. 11:611 et seq.

(k) Judges as provided pursuant to R.S. 11:62(5)(a)(iii) and 444(A)(1)(a)(ii).

(l) Harbor Police Retirement Plan members as provided pursuant to R.S. 11:631.

(m) Any other specialty retirement plan provided for a subgroup of system members.

If the legislation enacting such a plan is silent as to the application of this Subsection, the Public Retirement Systems' Actuarial Committee shall provide for the application to such plan.

(4) Effective for the June 30, 2010 system valuation and beginning with Fiscal Year 2011-2012, the normal cost calculated pursuant to Subparagraph (B)(3)(a) of this Section, shall be calculated separately for each particular plan within the system. An employer shall pay employer contributions for each employee at the rate applicable to the plan of which that employee is a member.

(5) Effective for the June 30, 2010 system valuation and beginning with Fiscal Year 2011-2012, changes in actuarial liability due to legislation, changes in governmental organization, or reclassification of employees or positions shall be calculated individually for each particular plan within the system based on each plan's actuarial experience as further provided in Subparagraph (6)(c) of this Subsection.

(6) For each plan referenced in Paragraph (3) of this Subsection, the legislature shall set the required employer contribution rate equal to the sum of the following:

(a) The particularized normal cost rate. The normal cost rate for each fiscal year shall be the employer's normal cost for the plan computed by applying the method specified in R.S. 11:102(B)(1) and (3)(a) to the plan.

(b) The shared unfunded accrued liability rate. (i) Except as provided in Item (ii) of this Subparagraph, a single rate shall be computed for each fiscal year, applicable to all plans for actuarial changes, gains, and losses existing on June 30, 2010, or occurring thereafter, including experience and investment gains and losses, which are independent of the existence of the plans listed in Paragraph (3) of this Subsection, the payment and rate therefor shall be calculated as provided in this Subsection and Paragraphs (B)(1) and (3) of this Section.

(ii) The shared unfunded accrued liability rate applicable to the Harbor Police Retirement System shall not include any unfunded accrued liability incurred on or before July 1, 2015, until the earlier of:

(aa) July 1, 2022.

(bb) The date that all sums payable by the Port of New Orleans to the board of trustees of the Louisiana State Employees' Retirement System pursuant to the terms and conditions of a cooperative endeavor agreement between the board of trustees of the Louisiana State Employees' Retirement System, the board of commissioners of the Port of New Orleans, and the board of trustees of the Harbor Police Retirement System regarding the merger of the

Harbor Police Retirement System into the Louisiana State Employees' Retirement System have been paid in full.

(c) The particularized unfunded accrued liability rate. For actuarial changes, gains, and losses, excluding experience and investment gains and losses, first recognized in the June 30, 2010 valuation or in any later valuation, attributable to one or more, but not all, plans listed in Paragraph (3) of this Subsection or to some new plan or plans, created, implemented, or enacted after July 1, 2010, a particularized contribution rate shall be calculated as provided in this Subsection and Paragraphs (B)(1) and (3) of this Section.

(d) The shared gross employer contribution rate difference. The gross employer contribution rate difference shall be the difference between the minimum gross employer contribution rate provided in Paragraph (B)(5) of this Section and the aggregate employer contribution rate calculated pursuant to the provisions of Subsection B of this Section.

(7) Each entity funding a portion of the member's salary shall also fund the employer's contribution on that portion of the member's salary at the employer contribution rate specified in this Subsection.

(8) For purposes of Paragraph (B)(2) of this Section the actuarially required employer contributions and the employer contributions actually received for all plans shall be totaled and treated as a single contribution.

(9) If provisions of this Section cover matters not specifically addressed by the provisions of this Subsection, then those provisions shall be applicable.

D.(1) The provisions of this Subsection shall apply to the Teachers' Retirement System of Louisiana.

(2)(a) Except as provided in Subparagraph (b) of this Paragraph and in R.S. 11:102.5, effective July 1, 2004, and beginning with Fiscal Year 2000-2001, the amortization period for the changes, gains, or losses of the system provided in Items (B)(3)(d)(i) through (iv) of this Section shall be thirty years from the year in which the change, gain, or loss occurred. The outstanding balances of amortization bases established pursuant to Items (B)(3)(d)(i) through (iv) of this Section before Fiscal Year 2000-2001, shall be amortized as a level-dollar amount from July 1, 2004, through June 30, 2029. Beginning with Fiscal Year 2003-2004, and for each fiscal year thereafter, the outstanding balances of amortization bases established pursuant to Items (B)(3)(d)(i) through (iv) of this Section shall be amortized as a level-dollar amount. Effective for the June 30, 2011 system valuation and beginning with Fiscal Year 2012-2013, amortization payments for changes in actuarial liability shall be determined in accordance with this Subsection.

(b) Notwithstanding the provisions of Subparagraph (a) of this Paragraph, effective for the June thirtieth valuation following the fiscal year in which the system first attains a funded percentage of seventy or more pursuant to R.S. 11:883.1 and for every year thereafter, the amortization period for the changes, gains, or losses of the system provided in Items (B)(3)(d)(i) through (iv) of this Section occurring in that year or thereafter shall be twenty years from the year in which the change, gain, or loss occurred.

(c) Effective for the first system valuation following June 30, 2015, in which an allocation is made to the system's experience account and for each valuation thereafter,

actuarial gains allocated to the experience account shall be amortized as a loss with level payments over a ten-year period.

(3) The provisions of this Paragraph and Paragraphs (4) through (9) of this Subsection shall be effective for the June 30, 2011 system valuation and beginning Fiscal Year 2012-2013. For purposes of this Subsection, "plan" or "plans" shall mean a subgroup within the system characterized by the following employee classifications:

(a) Employees of an institution of postsecondary education, the Board of Regents, or a postsecondary education management board who are not employed for the sole purpose of providing instruction or administrative services at the primary or secondary level, including at any lab school and the Jimmy D. Long, Sr. Louisiana School for Math, Science, and the Arts.

(b) Any other specialty retirement plan provided for a subgroup of system members. If the legislation enacting such a plan is silent as to the application of this Subsection, the Public Retirement Systems' Actuarial Committee shall provide for the application to such plan.

(c) All other teachers, as defined in R.S. 11:701(33), including members paid from school food service funds as provided in R.S. 11:801 and 811.

(4) Effective for the June 30, 2011 system valuation and beginning with Fiscal Year 2012-2013, the normal cost calculated pursuant to Subparagraph (B)(3)(a) of this Section, shall be calculated separately for each particular plan within the system. An employer shall pay employer contributions for each employee at the rate applicable to the plan of which that employee is a member.

(5) Effective for the June 30, 2011 system valuation and beginning with Fiscal Year 2012-2013, changes in actuarial liability due to legislation, changes in governmental organization, or reclassification of employees or positions shall be calculated individually for each particular plan within the system based on each plan's actuarial experience as further provided in Subparagraph (6)(c) of this Subsection.

(6) For each plan referenced in Paragraph (3) of this Subsection, the legislature shall set the required employer contribution rate equal to the sum of the following:

(a) The particularized normal cost rate. The normal cost rate for each fiscal year shall be the employer's normal cost for employees in the plan computed by applying the method specified in Paragraph (B)(1) and Subparagraph (B)(3)(a) of this Section to the plan.

(b) The shared unfunded accrued liability rate. A single rate shall be computed for each fiscal year, applicable to all plans for actuarial changes, gains, and losses existing on June 30, 2011, or occurring thereafter, including experience and investment gains and losses, which are independent of the existence of the plans listed in Paragraph (3) of this Subsection, the payment and rate therefor shall be calculated as provided in this Subsection and Paragraphs (B)(1) and (3) of this Section.

(c) The particularized unfunded accrued liability rate. For actuarial changes, gains, and losses, excluding experience and investment gains and losses, first recognized in the June 30, 2011 valuation or in any later valuation, attributable to one or more, but not all, plans listed in Paragraph (3) of this Subsection or to some new plan or plans, created, implemented,

or enacted after July 1, 2011, a particularized contribution rate shall be calculated as provided in this Subsection and Paragraphs (B)(1) and (3) of this Section.

(d) The shared gross employer contribution rate difference. The gross employer contribution rate difference shall be the difference between the minimum gross employer contribution rate provided in Paragraph (B)(5) of this Section and the aggregate employer contribution rate calculated pursuant to the provisions of Subsection B of this Section.

(7) Each entity funding a portion of the member's salary shall also fund the employer's contribution on that portion of the member's salary at the employer contribution rate specified in this Subsection.

(8) For purposes of Paragraph (B)(2) of this Section the actuarially required employer contributions and the employer contributions actually received for all plans shall be totaled and treated as a single contribution.

(9) If provisions of this Section cover matters not specifically addressed by the provisions of this Subsection, then those provisions shall be applicable.

E.(1) Except as provided in Paragraphs (2) and (3) of this Subsection and in R.S. 11:102.5, effective July 1, 2004, and beginning with Fiscal Year 2000-2001, the amortization period for the changes, gains, or losses of the Louisiana School Employees' Retirement System provided in Items (B)(3)(d)(i) through (iv) of this Section shall be thirty years from the year in which the change, gain, or loss occurred. The outstanding balances of amortization bases established pursuant to Items (B)(3)(d)(i) through (iv) of this Section before Fiscal Year 2000-2001, shall be amortized as a level-dollar amount from July 1, 2004, through June 30, 2029. Beginning with Fiscal Year 2003-2004, and for each fiscal year thereafter, the outstanding balances of amortization bases established pursuant to Items (B)(3)(d)(i) through (iv) of this Section shall be amortized as a level-dollar amount.

(2)(a) All outstanding amortization bases in existence on June 30, 2014, including outstanding balances established pursuant to Subparagraph (B)(3)(c) of this Section, shall be consolidated and reamortized over the period ending June 30, 2044, with level-dollar payments, effective with the June 30, 2014 valuation. This Paragraph shall not apply to amortization bases established after June 30, 2014.

(b) After payment of a permanent benefit increase pursuant to the provisions of R.S. 11:1145.1, the unused portion of the June 30, 2013 experience account balance shall be credited in an amortization conversion account from which annual contributions required pursuant to Subparagraph (a) of this Paragraph shall be funded in whole or in part for the years July 1, 2014, through June 30, 2019. Effective June 30, 2019, all funds remaining in the amortization conversion account shall be amortized as a gain in accordance with the provisions of this Subsection.

(3) Notwithstanding the provisions of Paragraph (1) of this Subsection, effective for the June thirtieth valuation following the fiscal year in which the system first attains a funded percentage of seventy-two or more pursuant to R.S. 11:1145.1 and for every year thereafter, the amortization period for the changes, gains, or losses of the system provided in Items (B)(3)(d)(i) through (iv) of this Section occurring in that year or thereafter shall be twenty years from the year in which the change, gain, or loss occurred.

(4) Effective for the first system valuation following June 30, 2015, in which an allocation is made to the system's experience account and for each valuation thereafter, actuarial gains allocated to the experience account shall be amortized as a loss with level payments over a ten-year period.

F.(1) Except as provided in Paragraph (2) of this Subsection and in R.S. 11:102.5, effective July 1, 2009, and beginning with Fiscal Year 1992-1993, the amortization period for the changes, gains, or losses of the Louisiana State Police Retirement System provided in Items (B)(3)(d)(i) through (iv) of this Section shall be thirty years from the year in which the change, gain, or loss occurred. The outstanding balances of amortization bases established pursuant to Items (B)(3)(d)(i) through (iv) of this Section before Fiscal Year 2008-2009 shall be amortized as a level-dollar amount from July 1, 2009, through June 30, 2029. Beginning with Fiscal Year 2008-2009, and for each fiscal year thereafter, the outstanding balances of amortization bases established pursuant to Items (B)(3)(d)(i) through (iv) of this Section shall be amortized as a level-dollar amount.

(2) Notwithstanding the provisions of Paragraph (1) of this Subsection, effective for the June thirtieth valuation following the fiscal year in which the system first attains a funded percentage of seventy or more pursuant to R.S. 11:1332 and for every year thereafter, the amortization period for the changes, gains, or losses of the system provided in Items (B)(3)(d)(i) through (iv) of this Section occurring in that year or thereafter shall be twenty years from the year in which the change, gain, or loss occurred.

(3) Effective for the first system valuation following June 30, 2015, in which an allocation is made to the system's experience account and for each valuation thereafter, actuarial gains allocated to the experience account shall be amortized as a loss with level payments over a ten-year period.

Acts 1988, No. 81, §2, eff. July 1, 1989; Acts 1989 1st Ex. Sess., No. 4, §1, eff. July 1, 1989; Acts 1990, No. 470, §1, eff. July 1, 1990; Acts 1992, No. 257, §1, eff. July 1, 1992; Acts 1993, No. 734, §1, eff. July 1, 1993; Acts 1999, No. 1331, §1; Acts 2000, 1st Ex. Sess., No. 14, §1, eff. April 14, 2000; Acts 2004, No. 588, §1, eff. June 30, 2004; Acts 2008, No. 852, §1, eff. July 1, 2008; Acts 2009, No. 497, §1, eff. June 30, 2009; Acts 2010, No. 1026, §1, eff. July 1, 2010; Acts 2010, No. 861, §4, eff. August 15, 2010; Acts 2012, No. 483, §1, declared unconstitutional by La. Supreme Court; Acts 2012, No. 716, §1, eff. June 11, 2012; Acts 2012, No. 227, §1, eff. August 1, 2012; Acts 2014, No. 23, §1, eff. June 30, 2014; Acts 2014, No. 399, §1, eff. June 30, 2014; Acts 2014, No. 478, §1, eff. June 30, 2014; Acts 2014, No. 648, §2, eff. July 1, 2015 if cooperative agreement approved before December 31, 2014, agreement approved November 19, 2014; Acts 2016, No. 94, §1, eff. June 10, 2016; Acts 2016, No. 95, §1, eff. June 30, 2016; Acts 2017, No. 374, §1, eff. June 23, 2017.

§104. Employer contributions; determination date; notification

A. The employer contribution rate as referred to in this Subpart shall be determined by the Public Retirement Systems' Actuarial Committee as soon as practicable after the first day of January but no later than the last Monday in February of each year for those systems that have a fiscal year ending on the thirtieth day of June.

B. Within ten business days after the determination of a rate pursuant to this Section,

the chairman of the Public Retirement Systems' Actuarial Committee shall notify each employer or retirement system that the referenced rate shall be recommended to the legislature for approval, or that the given rate shall be used by the employer or retirement system, whichever is appropriate under the provisions contained in R.S. 11:102 and 103.

Acts 1991, No. 1038, §1; Acts 1992, No. 958, §1; Acts 2010, No. 874, §1, eff. July 1, 2010.

§502.3. Contributions

A.(1)(a) Each participant in this optional retirement plan shall contribute monthly the same amount that would have been contributed to the defined benefit plan, as if the participant were a member of that plan.

(b) The entirety of each participant's contribution, less any monthly fee established by the Board of Trustees for the Louisiana State Employees' Retirement System to cover the cost of administration and maintenance of the optional retirement plan, shall be remitted to the applicable designated provider or providers for application to the participant's account or accounts.

(2) Participant's contributions may be made by employer pick-up in accordance with the provisions of Section 414(h)(2) of the United States Internal Revenue Code or any amendment thereto.

B.(1) Each employer agency, institution, or board shall contribute to the Louisiana State Employees' Retirement System on behalf of each participant in this optional retirement plan the same amount that would have been contributed to the defined benefit plan.

(2)(a) Upon receipt of this contribution, the Louisiana State Employees' Retirement System shall promptly pay over to the appropriate designated provider or providers an amount equal to the employer's portion of the normal cost contribution as set forth in the actuarial valuation of the retirement system which is approved annually by the Public Retirement Systems' Actuarial Committee. That amount shall be credited to the participant's account or accounts, subject to any other applicable provisions of this Section.

(b) Notwithstanding the provisions of Subparagraph (a) of this Paragraph, the Louisiana State Employees' Retirement System shall retain and apply to the unfunded accrued liability the amount if any, of the employer contributions paid on behalf of any optional retirement plan participant which exceeds the employer's portion of the normal cost contribution.

(3)(a) In addition to the amount retained pursuant to Paragraph (2) of this Subsection, an additional contribution shall be retained by the system, subject to the following procedures. The annual actuarial valuation presented to the Public Retirement Systems' Actuarial Committee pursuant to R.S. 11:127(C) shall identify any adverse actuarial impact occurring on and after July 1, 2000, as the result of participation of the employees set forth in this Subpart. Then, the system actuary shall identify and recommend the additional amount of the employer's portion of the normal cost contributions made on behalf of optional retirement plan participants that is necessary to be retained to offset such adverse actuarial impact, if any.

(b) Any additional amount of the employer's portion of the normal cost contributions

recommended to be retained pursuant to Subparagraph (a) of this Paragraph, shall be retained from such employer contributions that are made in the then current plan year. That amount shall be increased or decreased annually thereafter according to the same procedures in the amount needed to offset such adverse actuarial impact to the system, if any.

(4) The process of retaining contributions, as identified in Paragraphs (2) and (3) of this Subsection shall continue until the unfunded accrued liability of the retirement system is fully amortized.

C. Notwithstanding the provisions of Subsections A and B of this Section, the Louisiana State Employees' Retirement System shall not remit any funds or contributions to any provider or providers from an employer agency, institution, or board until the correct and total amount to be remitted to the Louisiana State Employees' Retirement System under Subsections A and B of this Section is received each month from the employer agency, institution, or board.

D. Under no circumstances shall the contributions made pursuant to this Section exceed the limitation on contributions as set by Section 415(c) of the Internal Revenue Code or any amendment thereto.

Acts 1999, No. 1320, §1; Acts 2010, No. 102. §1, eff. July 1, 2010.

[Effective Date: Text of Section effective until July 1, 2020.]

§544. Department of Revenue Alcohol and Tobacco Control Officers Fund

A. There is hereby established in the state treasury a special fund to be known as the "Department of Revenue Alcohol and Tobacco Control Officers Fund", hereinafter referred to as the "fund".

B.(1) At the close of the 2006-2007 Fiscal Year, after allocation of money to the Bond Security and Redemption Fund as provided in Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer shall deposit in and credit to the fund any unexpended monies previously allocated to the Tobacco Regulation Enforcement Fund, pursuant to R.S. 47:841(F), for the use of the Department of Revenue, office of alcohol and tobacco control.

(2) The treasurer shall deposit in and credit to the fund any amount appropriated to the fund or otherwise made available thereto by the legislature. Such deposit shall be made on the effective date of any such appropriation or upon such amount being otherwise made available to the fund.

(3)(a) Beginning with the 2007-2008 Fiscal Year and for each fiscal year thereafter, and after allocation of money to the Bond Security and Redemption Fund as provided in Article VII, Section 9(B) of the Constitution of Louisiana and until the actuarially accrued liability referenced in Subsection D of this Section has been fully satisfied, the treasurer shall deposit in and credit to the fund on a monthly basis a sum which would otherwise be allocated to the Tobacco Regulation Enforcement Fund, pursuant to R.S. 47:841(F), for the use of the Department of Revenue, office of alcohol and tobacco control.

(b) The monthly amount of such sum as provided for in Subparagraph (a) of this Paragraph shall be the lesser of:

(i) Twenty percent of the sum which would otherwise be allocated to the Tobacco Regulation Enforcement Fund for the use of the Department of Revenue, office of alcohol

and tobacco control.

(ii) Fourteen thousand dollars.

C. Monies in the fund shall be invested in the same manner as the state general fund monies. Interest earned on the investment of monies in the fund, after being credited to the Bond Security and Redemption Fund pursuant to Article VII, Section 9(B) of the Constitution of Louisiana, shall be credited to the fund. Except as otherwise provided in this Section, all unexpended and unencumbered monies and earnings remaining in the fund at the end of the fiscal year shall remain in the fund and shall be available for allocation in the next fiscal year in the same manner and for the same purposes as provided in this Section.

D. The monies in the fund shall be used for funding retirement benefits for full-time law enforcement personnel, supervisors, and administrators who are employed with the Department of Revenue, office of alcohol and tobacco control, who are P.O.S.T-certified, who have the power to arrest, and who hold a commission from such office. Any monies in the fund not used for retirement benefits as provided in this Section may be reallocated to the Tobacco Regulation and Enforcement Fund to provide support for the operations of the office; however, until any unfunded actuarially accrued liability for retirement benefits for commissioned alcohol and tobacco control officers created pursuant to Act No. 353 of the 2007 Regular Session of the Legislature which enacted this Section and Act No. 740 of the 2008 Regular Session of the Legislature has been fully funded, the monies in the fund shall be used exclusively for the purpose of providing funding for such unfunded actuarially accrued liability.

E. On October first of each fiscal year, beginning with the 2007-2008 Fiscal Year, the treasurer shall allocate and distribute to the system from the fund the amount of any payment approved by the Public Retirement Systems' Actuarial Committee to be paid from the fund for that fiscal year; however, in no case shall the allocation and distribution to the system provided in this Subsection exceed the balance in the fund. Any unpaid portion of an amortization payment for a particular fiscal year shall be paid directly by the Department of Revenue, office of alcohol and tobacco control, or from the funds in the Tobacco Regulation Enforcement Fund which are otherwise available to such office.

F. When the actuarially accrued liability referenced in Subsection D of this Section has been fully satisfied, as determined by the Public Retirement Systems' Actuarial Committee, the fund shall be abolished. Any excess amounts in the fund shall revert to the Tobacco Regulation Enforcement Fund.

Added by Acts 2007, No. 353, §1, eff. June 30, 2007; Acts 2008, No. 740, §1, eff. August 15, 2008; Acts 2018, No. 612, §22, eff. July 1, 2020.

[Effective Date: Text of Section effective on July 1, 2020.]

§544. *Repealed by Acts 2018, No. 612, §22, eff. July 1, 2020.*

§927. Contributions

A. Each participant shall contribute monthly to the optional retirement plan the same amount which he would be required to contribute to the regular retirement plan of the Teachers' Retirement System of Louisiana if he were a member of that retirement plan.

Participant contributions may be made by employer pick-up in accordance with the provisions of Section 414(h)(2) of the United States Internal Revenue Code or any amendment thereto. The entirety of each participant's contribution, less any monthly fee established by the board to cover the cost of administration and maintenance of the optional retirement plan, shall be remitted to the appropriate designated company or companies for application to the participant's contract or contracts.

B.(1) Prior to July 1, 2014, each employer institution and board shall contribute to the Teachers' Retirement System of Louisiana on behalf of each participant in the optional retirement plan the same amount it would have contributed if the participant had been a member of the regular retirement plan of the Teachers' Retirement System of Louisiana. Upon receipt of this contribution, the Teachers' Retirement System of Louisiana shall promptly pay over to the appropriate designated company or companies an amount equal to the employer's portion of the normal cost contribution as determined annually by the Public Retirement Systems' Actuarial Committee, this amount to be credited to the participant's contract or contracts. The Teachers' Retirement System of Louisiana shall retain the balance of this contribution for application to the unfunded accrued liability of the system.

(2)(a) Beginning July 1, 2014, and continuing through Fiscal Year 2017-2018, each higher education board created by Article VIII of the Constitution of Louisiana and each employer institution and agency under its supervision and control shall contribute to the Teachers' Retirement System of Louisiana on behalf of each participant in the optional retirement plan the sum of:

(i) The amounts calculated pursuant to R.S. 11:102(D)(6)(b), (c), and (d).

(ii) An amount equal to or greater than the equivalent of the employer's portion of the normal cost contribution of the regular retirement plan.

(b) Beginning July 1, 2018, each higher education board created by Article VIII of the Constitution of Louisiana and each employer institution and agency under its supervision and control shall contribute to the Teachers' Retirement System of Louisiana on behalf of each participant in the optional retirement plan the sum of:

(i) The amounts calculated pursuant to R.S. 11:102(D)(6)(b), (c), and (d).

(ii) An amount not less than six and two-tenths percent of pay.

(c) Each board shall establish the amount provided pursuant to Items (2)(a)(ii) or (b)(ii) of this Paragraph by resolution. The amount established shall be the same for all employer institutions and agencies under each board's supervision and control and shall be effective for an entire fiscal year.

(d) For fiscal year 2014-2015, each board shall submit to the retirement system such resolution no later than July 15, 2014, in order for an amount established pursuant to this Subsection to become effective. For each fiscal year thereafter, the system shall receive such resolution no later than June first in order for a new rate to become effective for the next fiscal year. If the system does not receive a resolution containing a contribution amount by the required deadline, the system shall apply the most recent contribution amount paid by such board or employer institution.

(e) Upon receipt of this contribution, the Teachers' Retirement System of Louisiana

shall promptly pay over to the appropriate designated company or companies an amount equal to the amount established by the applicable board pursuant to Items (2)(a)(ii) or (b)(ii) of this Paragraph.

(f) All amounts paid over to the appropriate designated company or companies pursuant to this Paragraph shall be credited to the participant's contract or contracts. The Teachers' Retirement System of Louisiana shall retain the balance of this contribution for application to the unfunded accrued liability of the system.

(3)(a) Beginning July 1, 2014, for each employer that is not a higher education board created by Article VIII of the Constitution of Louisiana or an employer institution under the supervision and control of such a board, each such employer institution and board shall contribute to the Teachers' Retirement System of Louisiana on behalf of each participant in the optional retirement plan the greater of:

(i) The amount it would have contributed if the participant were a member of the regular retirement plan of the Teachers' Retirement System of Louisiana pursuant to R.S. 11:102(D)(3).

(ii) The sum of the amounts calculated pursuant to R.S. 11:102(D)(6)(b), (c), and (d) plus six and two-tenths percent of pay.

(b) Upon receipt of this contribution, the Teachers' Retirement System of Louisiana shall promptly pay over to the appropriate designated company or companies an amount equal to:

(i) The employer's portion of the normal cost contribution as determined annually by the Public Retirement Systems' Actuarial Committee if payment is remitted pursuant to Item (3)(a)(i) of this Paragraph.

(ii) Six and two-tenths percent of pay if payment is remitted pursuant to Item (3)(a)(ii) of this Paragraph.

(c) All amounts paid over to the appropriate designated company or companies pursuant to this Paragraph shall be credited to the participant's contract or contracts. The Teachers' Retirement System of Louisiana shall retain the balance of the contribution for application to the unfunded accrued liability of the system.

C. Notwithstanding the provisions of Subsections A and B of this Section, the Teachers' Retirement System of Louisiana shall not remit any funds or contributions to any company or companies from an employer institution or board until the correct and total amount, rounded to the nearest dollar amount, to be remitted to the Teachers' Retirement System of Louisiana under Subsections A and B of this Section is received each month from the employer institution or board.

D. If a participant first became eligible for membership in the Teachers' Retirement System of Louisiana, or this Optional Retirement Plan, on or after July 1, 1996, the contributions remitted by the Teachers' Retirement System of Louisiana to any authorized company shall not be based upon compensation in excess of the annual limit of Section 401(a)(17) of the United States Internal Revenue Code as amended and revised.

E. Effective January 1, 2009, to the extent required by 26 U.S.C. 414(u)(12), any differential wage payment, as defined by 26 U.S.C. 3401(h)(2), of which is made by any

employer to any individual performing qualified military service shall be treated as earnable compensation for purposes of applying the limits on annual additions under 26 U.S.C. 415(c), and any participant of the optional retirement plan shall be treated as an employee of the employer making such payment.

Acts 1989, No. 90, §1; Acts 1991, No. 836, §1, eff. July 1, 1991; Redesignated from R.S. 17:777 by Acts 1991, No. 74, §§3 and 5, eff. June 25, 1991; Acts 1995, No. 586, §1, eff. July 1, 1995; Acts 1998, 1st Ex. Sess., No. 88, §1, eff. July 1, 1998; Acts 2012, No. 510, §1, eff. July 1, 2012; Acts 2014, No. 607, §1, eff. June 30, 2014; Acts 2016, No. 95, §1, eff. June 30, 2016.

§1007. Employment of retired bus drivers

A.(1) Subject to the provisions of Subsection F of this Section, any retiree of this system who was retired from service as a bus driver and who returns to active service in a full-time position as a bus driver covered by the provisions of this Chapter within the twelve-month period immediately following the effective date of his retirement shall have his retirement benefit suspended for the duration of such active service or the lapse of twelve months after the effective date of his retirement, whichever occurs first, even if such service is based on employment by contract or corporate contract. After the period of suspension of benefits as provided in this Subsection, the retirement benefit of such retiree shall no longer be suspended.

(2) No member of this system who retires based on a disability shall return to service pursuant to the provisions of this Section. Disability retirees shall be governed by the provisions of this Chapter applicable to disability retirees.

B. During the period of his return to active service, the reemployed bus driver and his employer shall make contributions to the retirement system as provided by this Chapter. However, the bus driver shall receive no additional service credit and shall not accrue any additional benefits in the retirement system. After termination of active service and upon application therefor, the retiree shall be refunded the employee contributions paid during reemployment. The refund shall be without interest. The retirement system shall retain all interest and employer contributions.

C.(1) When any retired bus driver returns to active service pursuant to this Section with an employer covered by the provisions of this Chapter, the employing agency shall notify the board of trustees in writing within ten days of such employment and the date on which employment began. Upon termination, the employing agency shall also provide the board with information and notice thereof in writing. In addition to the notice required by this Subsection, the employing agency shall also report to the retirement system within forty-five days after June thirtieth of each year the names of all retired persons being paid by the employing agency, their social security numbers, and the amounts of their earnings during the previous fiscal year ending June thirtieth of the reporting year.

(2) Any employer who elects to reemploy a retired bus driver pursuant to this Section shall submit to the system before September first of each school year of reemployment a declaration stating the employer's intent to reemploy such bus driver pursuant to this Section. Such declaration shall be signed by the employer's authorized representative and the

employee. If such declaration is not received by the system by such date, the reemployed bus driver shall be considered reemployed pursuant to the provisions of R.S. 11:1006.

(3) The superintendent of any employer who elects to reemploy a retired bus driver pursuant to this Section shall certify to the Board of Elementary and Secondary Education that a shortage of qualified bus drivers exists in the school district of such employer. The legislative auditor may audit or investigate as to whether there is a shortage of bus drivers in such district.

D. The status of any retired bus driver who is reemployed pursuant to the provisions of this Section shall be the same as that of a full-time active employee and shall be governed by the rules, procedures, policies, and statutes that apply to all such active employees.

E. The provisions of R.S. 11:1006 shall not be applicable to any retiree to whom this Section applies.

F. Any employer who participates in the reemployment of any retired bus driver pursuant to this Section shall pay the actuarial cost in aggregate attributable to the reemployment of such bus driver in excess of the cost that would have been incurred if the employer had reemployed the driver or drivers pursuant to R.S. 11:1006 as determined by the system's actuary. The actuarial cost to the system, if any, shall be included in the annual actuarial report to the board of trustees of the system and shall be submitted to the Public Retirement Systems' Actuarial Committee. Upon approval of the system's actuarial report by the Public Retirement Systems' Actuarial Committee, the participating employers shall be notified of any cost, which shall be paid to the system not later than June thirtieth following such committee's approval of the system's actuarial report.

G. Repealed by Acts 2008, No. 832, §2, eff. July 1, 2008.

Added by Acts 2007, No. 213, §1, eff. July 1, 2007; Acts 2008, No. 832, §§1 & 2, eff. July 1, 2008; Acts 2009, No. 516, §1, eff. July 1, 2009.

§2135. Pension accumulation fund; contributions to and payments from fund; determination of normal and accrued liability contributions; remedies

A.(1) For purposes of this Section, the phrase "tax collector" shall include any sheriff, ex-officio tax collector, collector of revenue, city tax collector, or any other person or official responsible for the collection of taxes shown to be collectible on any tax roll.

(2) For purposes of this Section, the phrase "tax roll" shall include any tax roll reflecting or relating to property located within any parish, regardless of whether or not such property is located within a municipality or other political subdivision within a parish.

B. The pension accumulation fund shall be the fund in which shall be accumulated all reserves for the payment of all pensions and other benefits payable from contributions made by employers and each tax collector as provided for in this Section and from which shall be paid all pensions and other benefits on account of members with prior service credit.

C. Contributions to and payments from the pension accumulation fund shall be made as follows:

(1) Each tax collector shall deduct one-sixteenth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish which money each tax collector shall turn over to the Registrars of Voters Employees' Retirement

System of Louisiana, created by this Chapter, periodically at the same time he disburses funds to the tax recipient bodies of his respective parish.

(2) Should the amount paid and credited under Paragraph (1) of this Subsection be for a larger amount than the amount required by the Public Retirement Systems' Actuarial Committee to be paid and credited to the Pension Accumulation Fund and the Members' Supplemental Savings Fund, then the payment to be received by the retirement system in the following year shall be reduced accordingly.

(3) Should the amount paid and credited to the Pension Accumulation Fund in accordance with Paragraph (1) of this Subsection be a smaller amount than the amount required as determined by the Public Retirement Systems' Actuarial Committee, then any additional amount required shall be contributed by the employers and each employer shall contribute an amount determined as follows: compute the percent that the deficient amount is of the aggregate salaries or compensation of all members in the employ of all employers on which employers' contributions are due. Each employer then shall pay this percent of the aggregate salaries of all employees in his employ on which employers' contributions are done. D.(1) Should a tax collector fail to timely remit the monies due to the retirement system pursuant to Paragraph (C)(1) of this Section, the board of trustees of the retirement system may make demand upon the state treasurer for payment of any past-due sums attributable to such tax collector's jurisdiction from revenue sharing funds that would otherwise become due to the delinquent tax collector's jurisdiction. In support of such demand, the board of trustees of the retirement system shall submit a resolution to the state treasurer certifying which jurisdiction's tax collector is delinquent in payment, the amount owed by such jurisdiction, and the identity of any designee or designees authorized to act on behalf of the retirement system in making such demand. Pursuant to such demand, before distribution of any revenue sharing funds to any delinquent jurisdiction, the state treasurer shall deduct from the revenue sharing funds otherwise due the amounts certified in the demand as past due and pay such deducted amount to the retirement system.

(2) The remedies provided in this Subsection are remedial and curative and may be exercised by the board of trustees at any time for any identifiable past-due sums due to the retirement system from any parish, city, or other governmental entity, regardless of when the deficiency initially arose. Such remedies shall be available in addition to any other remedy available under law. The failure of the board of trustees to make demand for payment from revenue sharing funds pursuant to the provisions of this Subsection shall not constitute a waiver of the right of the retirement system to require such payment or to make demand upon the state treasurer for payment from subsequent revenue sharing funds.

Acts 1954, No. 215, §8(3)(a to f). Amended by Acts 1959, No. 62, §1; Acts 1964, No. 218, §1; Acts 1974, No. 388, §1; Acts 1989, No. 202, §§1, 2; Acts 1990, No. 433, §1, eff. Jan. 1, 1991; Redesignated from R.S. 18:1835 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 2013, No. 299, §1, eff. June 30, 2013.

§2225. Administration

A. (1) The general administration and responsibility for the proper operation of the retirement system and for making effective the provisions of this Chapter are hereby vested

in a board of trustees which shall be organized immediately after a majority of the trustees provided for in this Section shall have qualified and taken the oath of office.

(2)(a) The board shall consist of fifteen trustees as follows: Seven members, three of whom shall not be chiefs of police but shall be active contributing members of the system with ten or more years of creditable service, and four of whom shall be active contributing chiefs of police, with four or more years of creditable service provided that no municipal police department shall have more than one member and one chief of police on the board at the same time; two regular retirees of the system, one retired from Chiefs District I and one retired from Chiefs District II as those districts are comprised in Subparagraphs (b) and (c) of this Paragraph; three ex officio trustees to include the chairman of the Senate Committee on Retirement or his designee, the commissioner of administration or his designee, and the state treasurer or his designee; a member of the House Committee on Retirement appointed by the speaker of the House of Representatives or the member's designee; and two mayors appointed by the Louisiana Municipal Association from municipalities having police departments participating in the system, to serve at the pleasure of the Louisiana Municipal Association. The retired trustees shall be elected by the retired members of the system for a term of five years with the first retired trustees' terms to commence on July 1, 1997. Whenever the term of a board member expires, the term of the newly elected board member shall be for a term of five years. The director of the retirement system shall be selected by the board of trustees. Election of members shall be under such rules and regulations as the board of trustees shall establish.

(b) The successor of the member of the board of trustees whose term expires on or about June 30, 1992 shall be elected in the following manner. A member who is a chief of police shall be elected to the board for a term of five years beginning July 1, 1992 from Chiefs District II, which shall be composed of the parishes of Ascension, East Baton Rouge, Jefferson, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. Helena, St. John the Baptist, St. Tammany, Tangipahoa, Washington, and West Baton Rouge.

(c) The successors of the members of the board of trustees whose terms expire on or about June 30, 1988 shall be elected as follows:

(i) Two members who are chiefs of police shall be elected to the board of trustees for a term of five years beginning July 1, 1988 from a district to be called Chiefs District I, which shall be composed of the parishes of Acadia, Allen, Assumption, Avoyelles, Beauregard, Bienville, Bossier, Caddo, Calcasieu, Caldwell, Cameron, Catahoula, Claiborne, Concordia, DeSoto, East Carroll, East Feliciana, Evangeline, Franklin, Grant, Iberia, Iberville, Jackson, Jefferson Davis, Lafayette, Lafourche, LaSalle, Lincoln, Madison, Morehouse, Natchitoches, Ouachita, Pointe Coupee, Rapides, Red River, Richland, Sabine, St. James, St. Landry, St. Martin, St. Mary, Tensas, Terrebonne, Union, Vermilion, Vernon, Webster, West Carroll, West Feliciana, and Winn.

(ii) One member who is a chief of police shall be elected to the board of trustees for a term of five years beginning July 1, 1988 from Chiefs District II, as described in Subparagraph (b) of this Paragraph.

(d) The successor of the member of the board of trustees whose term expires on or

about June 30, 1989 shall be elected in the following manner. A member who is not a chief of police shall be elected to the board of trustees for a term of five years beginning July 1, 1989 from a district to be called Non-chief District III, which shall be composed of the parish of Orleans.

(e) The successor of the member of the board of trustees whose term expires on or about June 30, 1990 shall be elected in the following manner. A member who is not a chief of police shall be elected to the board of trustees for a term of five years beginning July 1, 1990 from a district to be called Non-chief District II, which shall be composed of the parishes of Acadia, Ascension, Assumption, Calcasieu, Cameron, East Baton Rouge, Iberia, Iberville, Jefferson, Jefferson Davis, Lafayette, Lafourche, Livingston, Plaquemines, Pointe Coupee, St. Bernard, St. Charles, St. Helena, St. James, St. John the Baptist, St. Landry, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Vermilion, Washington, and West Baton Rouge.

(f) The successor of the member of the board of trustees whose term expires on or about June 30, 1991 shall be elected in the following manner. A member who is not a chief of police shall be elected to the board of trustees for a term of five years beginning July 1, 1991 from a district to be called Non-chief District I, which shall be composed of the parishes of Allen, Avoyelles, Beauregard, Bienville, Bossier, Caddo, Caldwell, Catahoula, Claiborne, Concordia, DeSoto, East Carroll, East Feliciana, Evangeline, Franklin, Grant, Jackson, LaSalle, Lincoln, Madison, Morehouse, Natchitoches, Ouachita, Rapides, Red River, Richland, Sabine, Tensas, Union, Vernon, Webster, West Carroll, West Feliciana, and Winn.

(g) The term of the member of the board of trustees which would expire on or about June 30, 1986 shall be extended until October 31, 1987. The board of trustees shall schedule and hold an election prior to October 31, 1987 for election of a member to the board of trustees who shall serve from November 1, 1987 through June 30, 1991. This election shall be held statewide. The term of the member of the board of trustees which would expire on or about June 30, 1987 shall be extended until October 31, 1987. The board of trustees shall schedule and hold an election in Chiefs District II prior to October 31, 1987 for election of a member to the board of trustees who shall serve from November 1, 1987 through June 30, 1992.

(3)(a) If a vacancy occurs in the office of a trustee, the vacancy shall be filled for the unexpired term in the same manner as the office was previously filled. If a member of the board of trustees elects to participate in the deferred retirement option plan he shall continue to serve as a member of the board of trustees until the expiration of the term for which he was elected or until his employment terminates, whichever occurs first. All members of the board of trustees elected to terms beginning on or after November 2, 1987, shall be employees of the district from which they are elected and shall be elected under rules of the board of trustees by the members employed in that district. Every active member shall be eligible to vote for the chief and nonchief positions on the board of trustees in the districts which include the parish of their employment.

(b) Notwithstanding any other provision of this Section or any other provision of law

to the contrary, the term of office for one member of the board of trustees representing Chiefs District I who is serving on the board of trustees on July 1, 1993, shall be considered as having been elected for a one-time term of four years beginning July 1, 1993, and ending on or about June 30, 1997. The board of trustees shall designate on or before June 30, 1993, which member of the board of trustees representing Chiefs District I shall fill the four-year term. The successor of the member of the board of trustees representing Chiefs District I whose term expires on or about June 30, 1997, shall be elected to the board of trustees for a term of five years beginning July 1, 1997.

(4) The trustees shall receive for attendance at meetings of the board, not to exceed fifteen meetings per annum, a per diem of seventy-five dollars per day plus the normal expense allowance allowed state employees by the division of administration, provided funds are available for this purpose.

(5) Each trustee shall, within thirty days after the beginning of his term of office take an oath of office that, so far as it devolves upon him, he will diligently and honestly administer the affairs of the said board, and that he will not knowingly violate or willingly permit to be violated any of the provisions of law applicable to the retirement system. Such oath shall be subscribed to by the member making it, and certified by the officer before whom it is taken, and immediately filed in the office of the secretary of state.

(6) Each trustee shall be entitled to one vote on the board. Eight trustees shall constitute a quorum for any board meeting, and a majority vote of the trustees present shall be necessary for a decision by the trustees at any meeting of the board.

(7)(a) The board of trustees is authorized to use interest earnings on investments of the system in excess of normal requirements, as determined by the actuary, to provide a cost-of-living increase in benefits for retired members, survivors, and beneficiaries in an amount not to exceed three percent of the original benefit. These increases shall be effective as of July 1, 1980, and annually each July first thereafter; however, no retiree, survivor, or beneficiary herein shall be eligible to receive a cost-of-living increase until benefits have been received for at least one year.

(b) In lieu of the cost-of-living increase authorized by Subparagraph (a) of this Paragraph, effective July 1, 1996, and annually each July first thereafter, the board of trustees is authorized to use interest earnings on investments of the system in excess of normal requirements, as determined by the actuary, to provide a cost-of-living increase in benefits in an amount not to exceed three percent of the benefit being received at the time the cost-of-living increase is to be paid and which increase shall be applicable to retired members, survivors, and beneficiaries of record on July first of the immediate preceding year.

(c)(i) Notwithstanding any provision of law to the contrary, in particular R.S. 11:242, the board of trustees is authorized to provide a permanent monthly cost-of-living adjustment for retirees, survivors, and beneficiaries who would otherwise be eligible for a cost-of-living adjustment pursuant to this Paragraph. The cost-of-living adjustment shall be payable in a monthly amount not to exceed three percent of the normal monthly benefit payable to the retiree, survivor, or beneficiary on the date the increase is granted but shall not be less than twenty dollars per month.

(ii) The authority of the board of trustees to provide the cost-of-living adjustment provided in this Subparagraph shall become effective July 1, 2008. The authority of the board of trustees to provide the cost-of-living adjustment shall be nonrecurring, and the board of trustees shall not grant more than one cost-of-living adjustment pursuant to Item (i) of this Subparagraph.

(d) The benefits authorized by Subparagraphs (a), (b), and (c) of this Paragraph shall be paid only when funds are available from interest earnings on investments of the system in excess of normal requirements, as determined by the actuary, and payments shall be made in such manner and in such amounts as may be determined by the board of trustees in accordance with this Paragraph and based on the funds available. Any adjustment to benefits for cost-of-living changes made by formal action of the board of trustees as provided herein shall be considered amendments to the provisions of the retirement system. If made by formal action of the board of trustees, such changes must be disclosed to members of the retirement system.

(8) A majority of the board of trustees shall elect from its membership a chairman. A majority of the board shall also appoint a director to the board, and define his duties and set his compensation. The board of trustees shall engage such actuarial and other services as shall be required to transact the business of the retirement system. The compensation of all persons engaged by the board of trustees, and all other expenses of the board necessary for the operation of the retirement system shall be paid at such rates and in such amounts as the board of trustees shall approve.

(9) The board of trustees shall keep in convenient form such data as shall be necessary for actuarial valuation of the various funds of the retirement system, and for checking the experience of the system.

(10) The board of trustees shall keep a record of all of its proceedings which shall be open to public inspection. It shall publish annually a report showing the fiscal transactions of the retirement system for the preceding fiscal year, the amount of the accumulated cash and securities of the system, and the last balance sheet showing the financial condition of the system by means of an actuarial valuation of the assets and liabilities of the retirement system.

(11)(a)(i) Every municipality which has a police retirement plan or system shall merge its active members into the Municipal Police Employees' Retirement System and such merger shall be binding on all parties; however, any merger of the law enforcement members of the Baton Rouge City Parish Employees' Retirement System into this system shall be subject to the provisions of R.S. 11:2214(A)(2)(b)(ii) and Item (ii) of this Subparagraph. Such merger shall be preceded by an actuarial investigation of the assets and liabilities of the system being merged. The municipalities which provide retirement with sixteen, twenty, or twenty-five years of service credit at any age shall guarantee and pay its regular retirement benefits to any employee who takes a deferred retirement with sixteen, twenty, or twenty-five years of service credit prior to reaching age fifty or fifty-five until the retiree reaches the age of fifty or fifty-five and is eligible to receive a benefit from the Municipal Police Employees' Retirement System. The municipality paying the benefit shall in computing said benefit use

the salary and all years of service credit that would have been used had no merger taken place and if the municipality is one where military service credit cannot be purchased until the member has twenty years of service credit, the computation of the benefit shall not include any years of military service credit unless the member actually has twenty years of service credit without the military service credit. The municipality shall pay to the Municipal Police Employees' Retirement System in one cash payment an amount equal to sixty percent of the accrued liability, as determined or approved by the actuary for the Municipal Police Employees' Retirement System, for all members and service credit merged or at the option of the municipality, such payment may be made in annual payments plus seven percent interest compounded annually over a period not exceeding thirty years.

(ii) Notwithstanding any other provision of law to the contrary, the consolidated government of the city of Baton Rouge and parish of East Baton Rouge may merge into this system less than all of the active law enforcement members of the Baton Rouge City Parish Employees' Retirement System meeting the definition of "employee" under the provisions of this Chapter. Such a partial merger shall be undertaken subsequent to a one time, thirty day election period, to be conducted by the consolidated government of the city of Baton Rouge and parish of East Baton Rouge. During this election period, each active law enforcement member may elect either to maintain his individual membership in the Baton Rouge City Parish Employees' Retirement System; or transfer his membership to this retirement system. Such election shall be irrevocable. Any partial merger of these active law enforcement employees into this system shall be preceded by an actuarial investigation of the assets and liabilities in the system to the credit of the employees being merged. To each employee electing to avail himself of the provisions of this Item, the consolidated government shall guarantee by individual guarantee of benefits contracts with each individual employee electing to merge additional benefits not payable under the Municipal Police Employees' Retirement System. The municipality shall pay to the Municipal Police Employees' Retirement System in one cash payment an amount equal to sixty percent of the accrued liability, as determined or approved by the actuary for this system, for all members and service credit merged or at the option of the municipality, such payment may be made in annual payments plus seven percent interest compounded annually over a period not exceeding thirty years. Subsequent to such partial merger, all newly hired law enforcement employees meeting the definition of "employee" as contained in this Chapter shall be enrolled in this system as a condition of employment. This Item shall be subject to Subparagraphs (b) through (h) of this Paragraph.

(b) Any municipality which has a police retirement plan or system may merge its retirees, beneficiaries, or survivors into the Municipal Police Employees' Retirement System and such merger shall be binding on all parties. Such merger shall be preceded by an actuarial investigation of the accrued liability for such retirees, beneficiaries, or survivors and the municipality shall pay in one cash payment an amount equal to the accrued liability for the retirees, beneficiaries, or survivors or at the option of the municipality it shall pay the accrued liability for all retirees, beneficiaries, or survivors in annual payments plus seven percent interest compounded annually over a period not exceeding thirty years.

(c) Should any municipality fail to make any payments provided herein the board of trustees of the Municipal Police Employees' Retirement System may proceed to collect such amounts with interest at the rate of legal interest by action in a court of competent jurisdiction against the municipality liable therefor or such amounts shall, upon due certification of delinquency and at the request of the Municipal Police Employees' Retirement System, be deducted from any other monies payable to such municipality by any department or agency of the state.

(d) Should any municipality fail to pay any of the guaranteed retirement benefits to any member who takes a deferred retirement from the Municipal Police Employees' Retirement System as provided herein, the board of trustees of the Municipal Police Employees' Retirement System shall proceed after sixty days to collect sufficient funds and pay said benefits. Sufficient funds to pay said benefits shall, upon due certification of delinquency and at the request of the Municipal Police Employees' Retirement System, be deducted from any monies payable to such municipality by any department or agency of the state.

(e) Notwithstanding any other provision of law to the contrary, any police officer who is a member of any municipal retirement system, shall be eligible to enter into a merger agreement where the individual officer and this system are the sole parties to the agreement; provided that the municipal retirement system is not a police retirement plan or system that is subject to the mandatory merger requirements set forth in this Section. The merger shall be accomplished by transferring all of the member's individual accredited service along with all of the employee and employer contributions plus interest at the board-approved actuarial valuation rate of the transferring system. If the funds transferred are less than sixty percent of the liabilities transferred under the merger, the member shall pay the balance up to the sixty percent requirement. The remaining amount due shall be paid from the fund established in R.S. 22:1476(A) for the merger of retirement systems and funds with this system. This Subparagraph shall be subject to the provisions of Subparagraph (d) of this Paragraph.

(f) Notwithstanding any other provision of law to the contrary, any municipal police department which, as a result of administrative error, on behalf of the state of Louisiana, enrolled its police officers in social security, and which department has been notified by the Social Security Administration that its police officers are not eligible for social security, shall be allowed to merge all active members, retirees, beneficiaries, and survivors into this system. The merger shall be accomplished, after actuarial investigation of the accrued liabilities being merged, by the payment by the municipality of all refunds of employer and employee contributions from social security, plus interest thereon from the date of the refund until the date of the merger, which amount shall be deducted from the total accrued liability, with the resulting amount of the accrued liabilities due to be paid from the fund established in R.S. 22:1476(A) for the merger of retirement systems and funds with this system. Payments from this fund shall be made as determined by the Public Retirement System's Actuarial Committee.

(g) Any person who is employed by a municipal police department and who is merged into this system under the provisions of Subparagraph (f) of this Paragraph, and who is

eligible for and receives federal social security benefits as the result of contributions made for service with the municipal police department, shall be subject to the offset provisions set forth in Subparagraph (h) of this Paragraph.

(h) The retirement benefit received from this system by any person covered by Subparagraph (g) of this Paragraph shall be offset by the full amount of the federal social security benefit attributable to service with the municipal police department. The total of both benefits shall not exceed the retirement benefit to which the member is entitled to receive from this system. The offset shall be applicable only to that percentage of the total social security benefit attributable to the number of contribution quarters for service with the municipal police department, divided by the total of all contribution quarters used in the calculation of the social security benefit.

(12) The mandatory merger requirement of Paragraph (11) of this Subsection shall be inapplicable with respect to any municipality, which enacts an ordinance exempting the municipality from the mandatory requirements of Paragraph (11). However, should any municipality which enacts the ordinance authorized by this Paragraph choose to merge its active members, retirees, beneficiaries, or survivors into this system, all provisions and requirements of Paragraph (11) must be complied with.

B. The retirement system shall take all actions necessary to comply with the provisions of the Internal Revenue Code applicable to qualified governmental retirement plans. Amendments to the fund required for the purpose of maintaining continued compliance with the Internal Revenue Code and the regulations thereunder that do not require legislative action shall be promulgated as rules in accordance with the Administrative Procedure Act, and the plan provisions shall hereafter consist of this Chapter together with such properly promulgated rules.

C. The board of trustees shall designate a medical board to be composed of three physicians not eligible to participate in the retirement system. If required, other physicians may be employed to report on special cases. The medical board shall arrange for and pass upon all medical examinations required under the provisions of this Chapter, and shall investigate all essential statements and certificates by or on behalf of a member in connection with an application for disability retirement, and shall report in writing to the board of trustees its conclusion and recommendations upon the matters referred to it.

D.(1) The board of trustees shall designate an actuary who shall be the technical advisor of the board of trustees on matters regarding the operation of the fund created by the provisions of this Chapter, and shall perform such other duties as are required in connection therewith.

(2) Immediately after the establishment of the retirement system, the actuary shall make such investigation of the mortality, service and compensation experience of the members of the system as he shall recommend and the board of trustees shall authorize, and on the basis of such investigation he shall recommend for adoption by the board of trustees such tables and such rates as are required in Subparagraphs (3)(a) and (b) of this Subsection. The board of trustees shall adopt tables and certify rates, and as soon as practicable thereafter the actuary shall make a valuation based on such tables and rates of the assets and liabilities

of the funds created by this Chapter.

(3) In the year of 1974, and at least once in each five-year period thereafter, the actuary shall make an actuarial investigation into the mortality, service and compensation experience of the members and beneficiaries of the retirement system, and shall make a valuation of the assets and liabilities of the funds of the system, and taking into account the result of such investigation and valuation, the board of trustees shall:

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

(b) Certify the rates of contribution payable by the employer on account of the new entrants.

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

(5)(a) Unless different actuarial assumptions are formally adopted and disclosed, as provided herein, the following assumptions shall determine the actuarial equivalents as used in this retirement system:

(i) Interest shall be compounded annually at the rate of seven percent per annum.

(ii) Annuity rates shall be determined on the basis of the 1971 Group Annuity Mortality Tables.

(b) The board of trustees may authorize the use of interest and mortality rates in determining the actuarial equivalents which are different from the actuarial assumptions used for other purposes hereunder. Any change in such actuarial assumptions shall be considered a part of this retirement system and shall be considered an amendment to the provisions of this Section. In order to be effective, such change must be formally adopted by the board of trustees and disclosed to members of the retirement system.

E. Notwithstanding any other provision of law to the contrary, the board of trustees shall not have the right to collect overpayments of a survivor benefit paid in administrative error prior to June 30, 2018, to the surviving child of a member whose death occurred on or before June 30, 2017, except in the case of fraud.

Added by Acts 1973, No. 189, §1. Amended by Acts 1974, No. 389, §§1, 2; Acts 1975, No. 377, §1; Acts 1976, No. 603, §5; Acts 1977, No. 601, §1; Acts 1980, No. 796, §1; Acts 1981, No. 670, §1; Acts 1982, No. 585, §1; Acts 1984, No. 31, §1; Acts 1985, No. 776, §1, eff. Jan. 1, 1985; Acts 1987, No. 555, §1; Acts 1988, No. 9, §1; Acts 1988, No. 83, §2; Acts 1988, No. 84, §1; Acts 1988, 2nd Ex. Sess., No. 6, §3, eff. Oct. 31, 1988; Acts 1990, No. 49, §1; Acts 1990, No. 430, §1, eff. July 1, 1990; Redesignated from R.S. 33:2378 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1992, No. 262, §1; Acts 1993, No. 330, §1, eff. June 3, 1993; Acts 1995, No. 222, §1; Acts 1995, No. 867, §1; Acts 1995, No. 1030, §1, eff. June 17, 1995; Acts 1997, No. 23, §1; Acts 1997, No. 156, §1, eff. July 1, 1997; Acts 1997, No. 1227, §1, eff. July 1, 1997; Acts 1998, 1st Ex. Sess., No. 15, §1, eff. April 24, 1998; Acts 1999, No. 1320, §1; Acts 2007, No. 232, §1, eff. July 2, 2007; Acts 2008, No. 113, §1, eff. July 1, 2008; Acts 2011, No. 238, §1, eff. June 30, 2011; Acts 2012, No. 511, §1, eff. June 5, 2012; Acts 2016, No. 621, §1, eff. June 17, 2016; Acts 2018, No. 345, §1, eff.

June 30, 2018.

§2260. Administration

A. Board of trustees:

(1) The general administration and responsibility for the proper operation of the retirement system and for making effective the provisions of this Chapter are hereby vested in a board of trustees which shall be organized immediately after a majority of the trustees provided for in this Section shall have qualified and taken the oath of office. The administration of this system shall be domiciled in East Baton Rouge Parish except in such case as there is provision for joint administration of this system with another state or statewide retirement system.

(2) The board shall consist of ten trustees as follows:

(a) Two members of the Professional Fire Fighters Association who shall be members of the system and who shall be elected by a majority of the officers of the association as follows:

(i) One member shall be elected in December, 1988, to take office January 1, 1989, to serve until January 1, 1992, and his successor shall be elected for a term of five years, commencing on January 1, 1992.

(ii) One member shall be elected in December, 1988, to take office January 1, 1989, to serve until January 1, 1993, and his successor shall be elected for a term of five years, commencing on January 1, 1993.

(b) A fire chief who is chief of a fire department participating in the system and who is a member of the system, shall be elected in December, 1988 by a majority of the fire chiefs of fire departments participating in the system, to take office January 1, 1989, to serve until January 1, 1991, and his successor shall be elected for a term of five years, commencing on January 1, 1991.

(c) Two mayors appointed by the Louisiana Municipal Association from municipalities having fire departments participating in the system, to serve at the pleasure of the Louisiana Municipal Association.

(d)(i) A member of the House Committee on Retirement appointed by the speaker, or the member's designee.

(ii) The chairman of the Senate Committee on Retirement, or his designee.

(e) A retiree of the system, who shall be elected by a majority vote of the members of the board from at least three nominees submitted by the retired members of the system, for a term of five years, commencing on January 1, 1989.

(f) The state treasurer or his designee.

(g) The commissioner of administration or his designee.

(3) If an active member dies while serving on the board, the vacancy shall be filled for the unexpired term in the same manner as the office was previously filled. If an active member's status changes such that he would no longer qualify for the position he holds on the board of trustees, or if an active member retires or a member terminates employment after participating in the Deferred Retirement Option Plan and retires, while serving on the board, he shall continue to serve until his term expires. If any other vacancy occurs in the office of

a trustee, the vacancy shall be filled for the unexpired term in the same manner as was previously filled. Should the term of a board member expire during the period of participation in the Deferred Retirement Option Plan, he shall be eligible to seek reelection to his position while participating in the Deferred Retirement Option Plan.

(4) The trustees shall receive for attendance at meetings of the board, not to exceed fifteen meetings per annum, a per diem as provided in R.S. 11:182(A) and they shall be reimbursed from the expense fund for all necessary expenses that they may incur through service on the board.

(5) Each trustee shall, after his appointment or election, take an oath of office that, so far as it devolves upon him, he shall diligently and honestly administer the affairs of the said board, and that he shall not knowingly violate or willingly permit to be violated any of the provisions of law applicable to the retirement system. Such oath shall be subscribed to by the member making it, and certified by the officer before whom it is taken, and immediately filed in the office of the secretary of state.

(6) Each trustee shall be entitled to one vote on the board. An affirmative vote by at least five members of the board of trustees shall be necessary for a decision by the trustees at any meeting of the board. The phrase "affirmative vote" shall mean that the vote shall be cast in favor of approving any motion.

(7) The board of trustees is authorized to use interest earnings on investments of the system in excess of normal requirements, as determined by the actuary, to provide annual supplemental monthly cost-of-living adjustments. The supplemental monthly cost-of-living adjustments shall be computed on the current retirement or survivor's benefit. The annual supplemental monthly cost-of-living adjustment shall not be more than three percent in any year. Such benefits shall be paid only when funds are available from this source and payments shall be made in such manner and in such amounts as may be determined by the board of trustees, based on the funds available.

(8) A majority of the board of trustees shall elect from its membership a chairman. A majority of the board shall also appoint a secretary to the board, define his duties, and set his compensation. The board of trustees shall engage such actuarial and other services as shall be required to transact the business of the retirement system. The compensation of all persons engaged by the board of trustees, and all other expenses of the board necessary for the operation of the retirement system shall be paid at such rates and in such amounts as the board of trustees shall approve.

(9)(a) The board of trustees shall keep in convenient form such data as shall be necessary for actuarial valuation of the various funds of the retirement system and for checking the experience of the system.

(b)(i) In order to assure the continued accuracy of the data required to be kept by the provisions of Subparagraph (a) of this Paragraph, the board of trustees may conduct an audit of any participating employer, including but not limited to any such municipality or fire protection district. The information that is made the subject of the audit shall include such information as is necessary to accomplish any of the following audit objectives:

(aa) To authenticate the eligibility of a member or members to participate in the

system.

(bb) To verify compensation being earned by a member or members and the manner and amount in which such compensation is reported to the retirement system.

(cc) To verify the years of covered employment and service credit accrued by a member or members.

(dd) To determine the accuracy of benefits scheduled to be paid or already being paid to any member or members.

(ii) The participating employer that is the subject of the audit shall provide, and the auditor shall have, complete access to any books, records, documents, and accounts needed to accomplish the audit, including but not limited to copies of any member's birth certificate, death certificate, driver's license, marriage license, time sheets, leave forms, payroll records, and contribution records. Original documents shall be provided if available.

(iii) The retirement system may request the legislative auditor to conduct the full audit or any portion of an audit authorized by this Subparagraph.

(iv) Failure of any participating employer to comply with the provisions of this Subparagraph shall subject the governing authority of such employer and the custodian of records of such employer to the enforcement provisions of the public record laws set forth in R.S. 44:35.

(10) The board of trustees shall keep a record of all of its proceedings which shall be open to public inspection. It shall publish annually a report showing the fiscal transactions of the retirement system for the preceding fiscal year, the amount of the accumulated cash and securities of the system, and the last balance sheet showing the financial condition of the system by means of an actuarial valuation of the assets and liabilities of the retirement system.

(11)(a) The board of trustees may enter into an agreement with any municipality, parish, or fire protection district for merging any existing retirement plan for firefighters, or with the Metropolitan Council of the city of Baton Rouge and the parish of East Baton Rouge for merging the firefighter members of the Baton Rouge City Parish Employees' Retirement System with the Firefighters' Retirement System, subject to approval by three-fourths of the members of such system who have not retired and subject to approval by three-fourths of the retirees, beneficiaries, and survivors.

(b) Such merger agreement shall require payment of at least sixty percent of the accrued liability for active members being transferred and of one hundred percent of the accrued liability of the retirees, beneficiaries, and survivors being transferred, and such merger shall not cause the contributions and other funding of the system to be less than the amount needed to actuarially provide for the normal cost and the amortization of the unfunded accrued liability of the system over a thirty-year period. However, the city of Alexandria shall be authorized to merge its firefighters' retirement plan into the Firefighters' Retirement System by paying sixty percent of the accrued liability for active members being transferred and one hundred percent of the accrued liability of the retirees, beneficiaries, and survivors being transferred. All payments by the city of Alexandria shall be based on those liabilities as they existed on June 30, 1988, with the difference between the amount paid by

the city of Alexandria and the total actuarial accrued liability being assumed by the Firefighters' Retirement System of Louisiana as of the date of the merger, being paid by the state of Louisiana over the length of time and in the amounts as determined by the Public Retirement Systems' Actuarial Committee, provided that such merger is completed by June 30, 1993.

(c)(i) The approval of a merger by three-fourths of the individuals being transferred is not required if the municipality, parish, or fire protection district shall guarantee to each of the individuals that he and his beneficiaries together shall retain after the merger all retirement and other eligibility rights, all benefit rights, and all other rights that they would have had in the former plan had he continued under such plan.

(ii) This determination shall be made for each individual at least annually by the municipality, parish, or fire protection district and shall be based on total benefits paid to date to the individual and his beneficiaries by the Firefighters' Retirement System and this guarantee in the period beginning with his transfer to the Firefighters' Retirement System and ending on the date of determination.

(iii) This guarantee shall have no more or less force and effect than the benefit guarantee of the former retirement plan and shall be accomplished by ordinance of the municipality, parish, or fire protection district.

(d) Such merger shall be preceded by an actuarial investigation of the actuarial assumptions conducted jointly by the actuaries for the municipality, parish, or fire protection district, the Firefighters' Retirement System, and the legislative auditor, and must have the prior approval of the Joint Legislative Retirement Committee together with the recommendation of the actuary for the legislative auditor and any agreement entered into between the Firefighters' Retirement System and the municipality, parish, or fire protection district shall be binding on both parties.

(e) Should the municipality, parish, or fire protection district fail to make any payments provided under such agreement, the board of trustees may proceed to collect such amounts as provided in R.S. 11:2262(D)(2).

(f) Repealed by Acts 2003, No. 719, §2.

(g)(i) Notwithstanding any other provision of law to the contrary, the board of trustees for this system is hereby authorized to enter into an agreement with the governing authorities of the Firemen's Pension and Relief Fund for the city of Lafayette to merge that system into the statewide Firefighters' Retirement System set forth in this Chapter, in accordance with the provisions of Subparagraphs (a), (b), (c), (d), and (e) of this Paragraph, except as provided in this Subparagraph.

(ii) The accumulated cost-of-living adjustments granted to any individual who has merged with this system pursuant to this Subparagraph, which cost-of-living adjustments have been granted by the Lafayette City-Parish Consolidated Government by virtue of the individual's previous membership in the Firemen's Pension and Relief Fund for the city of Lafayette, shall not be diminished, reduced, or otherwise impaired by the Lafayette City-Parish Consolidated Government should any cost-of-living adjustment be payable by this system. However, if the Lafayette City-Parish Consolidated Government has granted a cost-

of-living adjustment to any such individual in any year in which this system has also granted a cost-of-living adjustment, then nothing in this Item shall prevent the Lafayette City-Parish Consolidated Government from reducing the amount of its cost-of-living adjustment for that same year by an amount not to exceed two percent, provided the amount of this system's cost-of-living adjustment is greater than two percent, and further provided that the amount of the previous years' accumulated cost-of-living adjustments shall not be diminished, reduced, or otherwise impaired.

(iii) Any unlawful diminution, reduction, or impairment of accumulated cost-of-living adjustments by the Lafayette City-Parish Consolidated Government shall give rise to a cause of action in a court of competent jurisdiction by the individual adversely affected or his beneficiary or other appropriate successor in interest.

(h) Notwithstanding any other provision of law to the contrary, the board of trustees for this system is hereby authorized to enter into an agreement with the consolidated government of the city of Baton Rouge and parish of East Baton Rouge to merge less than all of the firefighter members of the Baton Rouge City Parish Employees' Retirement System meeting the definition of "employee" under the provisions of this Chapter. Such a partial merger shall be undertaken subsequent to a one time, thirty day election period, to be conducted by the consolidated government of the City of Baton Rouge and Parish of East Baton Rouge. During this election each active firefighter member may elect either to: maintain his individual membership in the Baton Rouge City Parish Employee's Retirement System; or transfer his membership to this retirement system. Such election shall be irrevocable. Any partial merger of these active firefighter employees into this system shall be preceded by an actuarial investigation of the assets and liabilities in the system to the credit of the employees being merged. To each employee electing to avail himself of the provisions of this Subparagraph, the consolidated government shall guarantee by individual guarantee of benefits contracts with each individual employee electing to merge additional benefits not payable under the Firefighters' Retirement System. The municipality shall pay to this system in one cash payment an amount equal to sixty percent of the accrued liability, as determined or approved by the actuary for this system, for all members and service credit merged, or at the option of the municipality, such payment may be made in annual payments plus seven percent interest compounded annually over a period not exceeding thirty years. Subsequent to such partial merger, all newly hired firefighter employees meeting the definition of "employee" as contained in this Chapter shall be enrolled in this system as a condition of employment. This Subparagraph shall be subject to the provisions of Subparagraphs (a), (b), (c), (d), and (e) of this Paragraph.

B. Repealed by Acts 1988, No. 83, §2.

C. Actuary:

(1) The board of trustees shall designate an actuary who shall be the technical advisor of the board of trustees on matters regarding the operation of the fund created by the provisions of this Chapter, and shall perform such other duties as are required in connection therewith.

(2) Immediately after the establishment of the retirement system, the actuary shall

make such investigation of the mortality, service, and compensation experience of the members of the system as he shall recommend and the board of trustees shall authorize, and on the basis of such investigation he shall recommend for adoption by the board of trustees such tables and such rates as are required in R.S. 11:2260(C)(3)(a) and (b). The board of trustees shall adopt tables and certify rates, and as soon as practicable thereafter the actuary shall make a valuation based on such tables and rates of the assets and liabilities of the funds created by this Chapter.

(3) In 1980, and at least once in each five-year period thereafter, the actuary shall make an actuarial investigation into the mortality, service, and compensation experience of the members and beneficiaries of the retirement system, and shall make a valuation of the assets and liabilities of the funds of the system, and taking into account the result of such investigation and valuation, the board of trustees shall:

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

(b) Certify the rates of contribution payable by the employer on account of the new entrants.

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

D. The Firefighters' Retirement System and its board of trustees shall be domiciled in the Parish of East Baton Rouge.

E. Repealed by Acts 1988, No. 974, §2, eff. July 27, 1988.

Added by Acts 1979, No. 434, §1. Amended by Acts 1980, No. 178, §1; Acts 1982, No. 193, §1; Acts 1983, No. 261, §1; Acts 1984, No. 472, §1; Acts 1985, No. 776, §1, eff. Jan. 1, 1985; Acts 1987, No. 147, §1; Acts 1987, No. 911, §2; Acts 1988, No. 83, §2; Acts 1988, No. 974, §§1, 2; eff. July 27, 1988; Acts 1991, No. 67, §1; Redesignated from R.S. 33:2158 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1992, No. 952, §1, eff. July 1, 1992; Acts 1993, No. 755, §1; Acts 1994, 3rd Ex. Sess., No. 89, §1, eff. July 7, 1994; Acts 1995, No. 783, §1; Acts 1997, No. 14, §1; Acts 1997, No. 1219, §1, eff. July 1, 1997; Acts 1999, Nos. 35, 1320, 1379, §1; Acts 2003, No. 305, §1, eff. June 13, 2003; Acts 2003, No. 621, §1, eff. June 27, 2003; Acts 2003, No. 719, §§1 & 2, eff. June 27, 2003; Acts 2007, No. 51, §1, eff. June 18, 2007; Acts 2008, No. 220, §4, eff. June 14, 2008; Acts 2008, No. 258, §1, eff. June 16, 2008; Acts 2008, No. 817, §1, eff. July 8, 2008; Acts 2016, No. 621, §1, eff. June 17, 2016.

§22. Methods of actuarial valuation established

A. The provisions of this Section govern the funding methods utilized by state and statewide public retirement systems to determine actuarially required contributions.

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

(1) Assessors' Retirement Fund: frozen attained age normal.

(2) Clerks' of Court Retirement and Relief Fund: frozen attained age normal.

(3) District Attorneys' Retirement System: aggregate.

- (4) Firefighters' Retirement System: entry age normal.
- (5) Louisiana School Employees' Retirement System: entry age normal.
- (6) Louisiana State Employees' Retirement System: entry age normal.
- (7) Municipal Police Employees' Retirement System: entry age normal.
- (8) Municipal Employees' Retirement System of Louisiana:
 - (a) Plan A: frozen attained age normal.
 - (b) Plan B: frozen attained age normal.
- (9) Parochial Employees' Retirement System of Louisiana:
 - (a) Plan A: frozen attained age normal.
 - (b) Plan B: aggregate.
 - (c) Plan C: entry age normal.
- (10) Registrars of Voters Employees' Retirement System: aggregate.
- (11) Sheriffs' Pension and Relief Fund: frozen attained age normal.
- (12) Louisiana State Police Retirement System: entry age normal.
- (13) Teachers' Retirement System of Louisiana: entry age normal.

C. For any of the systems set forth in Subsection B of this Section which have established excess benefit plans, the present value of benefits shall for funding purposes include the present value of any credits granted to employers for contributions to such excess benefit plans.

D. For any system set forth in Subsection B of this Section that is funded utilizing the frozen attained age normal method, the actuarial valuation method of the 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.

Acts 1988, No. 81, §2, eff. July 1, 1989; Acts 1988, 2nd Ex. Sess., No. 6, §2, eff. Oct. 31, 1988; Acts 1989, No. 501, §1, eff. July 1, 1989; Acts 1992, No. 165, §1, eff. July 1, 1992; Acts 1997, No. 867, §1, eff. July 1, 1997; Acts 1999, No. 34, §1; Acts 2012, No. 227, §1, eff. August 1, 2012; Acts 2012, No. 225, §1, eff. June 30, 2012; Acts 2013, No. 220, §3, eff. June 11, 2013; Acts 2014, No. 571, §1, eff. upon adoption entry age normal valuation method; approved by Public Retirement Systems' Actuarial Committee on November 19, 2014.

§82. Ad valorem tax contributions established

A. Ad valorem tax contributions to state and statewide public retirement systems shall be as follows:

(1) Assessors' Retirement Fund. Dedicated funds are .25% (1% for Orleans Parish) of aggregate taxes shown to be collectible by the tax rolls of each parish.

(2) Clerks' of Court Retirement and Relief Fund. Dedicated funds are .25% (.5% for Orleans Parish) of aggregate taxes shown to be collectible by the rolls of each parish.

(3) Municipal Employees' Retirement System of Louisiana. Dedicated funds are .25% of aggregate taxes shown to be collectible by the tax rolls of each parish except Orleans; funds collected from the parish of East Baton Rouge are to be distributed pursuant to R.S. 11:1862. These amounts are split between Plan A and Plan B based on active member payroll.

(4) Parochial Employees' Retirement System of Louisiana. Dedicated funds are .25%

of aggregate taxes shown to be collectible by the tax rolls of each parish except Orleans and East Baton Rouge. These amounts are split between Plan A and Plan B based on active member payroll.

(5) Sheriffs' Pension and Relief Fund. Dedicated funds are .5% of aggregate taxes shown to be collectible by the tax rolls of each parish.

(6) District Attorneys' Retirement System. Dedicated funds are .2% of aggregate taxes shown to be collectible by the tax rolls of each parish.

(7) Registrars' of Voters Employees' Retirement System. Dedicated funds are .0625% of aggregate taxes shown to be collectible by the tax rolls of each parish.

(8)(a) Teachers' Retirement System of Louisiana. Dedicated funds are one percent of aggregate taxes shown to be collectible by the tax rolls of each parish except Orleans.

(b) Effective with the 2004 tax roll payment, the Teachers' Retirement System of Louisiana shall credit each city, parish, or other local public school system located completely within East Baton Rouge Parish with an amount equal to one percent of the aggregate taxes shown to be collectible by the tax rolls for any millage levied by that school system plus an amount equal to the percentage of the total aggregate taxes collected by that school system of all aggregate taxes collected by all school systems within the parish of one percent of the aggregate taxes shown to be collectible by the tax rolls for any millage levied by an entity other than a school board remitted to the system from East Baton Rouge Parish.

(c) Within thirty days after the effective date of Subparagraph (b) of this Paragraph, the East Baton Rouge Parish School Board, the Baker City School Board, and the Zachary Community School Board shall file with the Teachers' Retirement System of Louisiana and the assessor for East Baton Rouge Parish a formula to be used to calculate the amount to be credited to each school board.

B. Provided, however, in the event the employer contributions become zero and employee contributions and dedicated taxes prescribed in this Section provide more than the total actuarially required contribution to any system, then the Public Retirement Systems' Actuarial Committee shall determine the amount of the aggregate taxes shown on the tax rolls of each parish that shall be remitted to such retirement system.

Acts 1988, No. 81, §2, eff. July 1, 1989; Acts 1989, No. 145, §1, eff. July 1, 1989; Acts 1990, No. 623, §1, eff. July 1, 1990; Acts 2005, No. 244, §1, eff. June 29, 2005.

§102.6. Review of volatility

Following the close of Fiscal Year 2016-2017, the future volatility of the then-existing schedules of each state system shall be reexamined by staff of each system and of the legislature, including actuaries for both. The results of this reexamination, which may identify issues to be resolved and include recommendations for plan amendments, shall be reported to the Public Retirement Systems' Actuarial Committee by November 1, 2017. The committee shall review the results and determine what changes to the system plan provisions, if any, are advisable. If appropriate, the committee shall make a recommendation to the legislature by December 15, 2017, on whether and what type of legislation is warranted.

Added by Acts 2016, No. 95, §1, eff. June 30, 2016.

§105. Employer contributions; maintaining rates

A. The provisions of this Section shall apply to the following statewide public retirement systems or funds, hereinafter referred to in this Section as "systems":

- (1) The Assessors' Retirement Fund.
- (2) The Clerks' of Court Retirement and Relief Fund.
- (3) The Municipal Employees' Retirement System of Louisiana.
- (4) The Parochial Employees' Retirement System of Louisiana.
- (5) Repealed by Acts 2015, No. 136, §2, eff. June 30, 2015.
- (6) The Registrars of Voters Employees' Retirement System.
- (7) The Firefighters' Retirement System.

B. Notwithstanding the provisions of R.S. 11:103 and 104, in any fiscal year during which the net direct employer contribution rates would otherwise be decreased for any retirement system or fund referenced in Subsection A of this Section, the board of trustees of any such system or fund is hereby authorized to maintain the net direct employer contribution rate in effect at the time that the decrease would otherwise occur according to R.S. 11:103.

C. If the board of trustees of any retirement system or fund referenced in Subsection A of this Section elects, pursuant to Subsection B of this Section, to maintain the net direct employer contribution rate in effect at the time that a decrease would otherwise occur according to R.S. 11:103, any excess funds resulting from maintaining the contribution rate shall be combined with any contribution surplus, or offset by any contribution shortfall, and the resulting balance, if greater than zero, shall be applied, until exhausted, exclusively for and in the order of the following purposes:

(1) To reduce the frozen unfunded accrued liability, if any; however, the future payments on the frozen unfunded accrued liability shall continue to be made according to the original amortization schedule established to initiate compliance with the requirements of Article X, Section 29(E)(3) of the Constitution of Louisiana until the outstanding balance is fully liquidated.

(2) To reduce the outstanding amortization charge base or bases with the greatest number of outstanding payments; however, the future payments on the base or bases shall continue to be made according to the original amortization schedule until the outstanding balance is fully liquidated.

(3) To establish a contribution surplus amortization base or add to the otherwise established contribution surplus base for the fiscal year if an immediate gain funding method is used, or to reduce the present value of future employer normal costs if a spread gain funding method is used.

D.(1) Notwithstanding the provisions of Subsection C of this Section, beginning with the employer contributions required for Fiscal Year 2006-2007, to the extent that the board of trustees of the Clerks' of Court Retirement and Relief Fund has previously maintained the net direct employer contribution rate pursuant to Subsection B of this Section, thereby having accelerated the amortization of the frozen unfunded accrued liability, the board shall be authorized to reamortize the remaining liability such that the amortization is completed in the same manner and over the remaining period provided for in R.S. 11:42(B).

(2) The Public Retirement Systems' Actuarial Committee is authorized to meet and adopt a valuation for the system as of June 30, 2005, consistent with the provisions of this Subsection.

Acts 1997, No. 347, §1, eff. July 1, 1997; Acts 2001, No. 911, §1, eff. July 1, 2001; Acts 2006, No. 532, §1, eff. July 1, 2006; Acts 2009, No. 296, §1, eff. June 30, 2009; Acts 2010, No. 861, §4, eff. August 15, 2010; Acts 2015, No. 136, §2, eff. June 30, 2015; Acts 2016, No. 208, §1, eff. July 1, 2016.

§242. Cost-of-living adjustments; permanent benefit increases; restrictions

A. The provisions of this Section do not repeal provisions relative to cost-of-living adjustments contained within the individual laws governing the systems, funds, and plans set forth in Subsection B of this Section. However, the provisions of this Section are to be controlling in cases of conflicts with the individual laws.

B. The power of the respective governing authorities to amend the respective retirement systems to provide cost-of-living adjustments for each of the following public retirement systems:

- (1) The Assessors' Retirement Fund.
- (2) The Clerks' of Court Retirement and Relief Fund.
- (3) The District Attorneys' Retirement System.
- (4) The Municipal Employees' Retirement System of Louisiana.
- (5) The Parochial Employees' Retirement System of Louisiana.
- (6) The Registrars of Voters Employees' Retirement System.
- (7) The Sheriffs' Pension and Relief Fund.
- (8) The Municipal Police Employees' Retirement System.
- (9) The Firefighters' Retirement System.

shall only be effective in calendar years during which the legislature fails to enact legislation granting cost-of-living adjustments, unless in the legislation granting a cost-of-living adjustment, the legislature specifically authorized the aforementioned systems to amend the respective retirement systems to provide an additional cost-of-living adjustment to retirees or survivors of retired public employees of particular systems, funds, and plans set forth in this Subsection.

C. The governing authorities of the systems, funds, and plans set forth in Subsection B of this Section shall not amend the respective retirement systems to provide a cost-of-living adjustment to any retiree, beneficiary, or survivor during any calendar year prior to the final adjournment of the regular session of the legislature and shall not do so during the same year within which the legislature has granted a cost-of-living adjustment, unless in the legislation granting a cost-of-living adjustment, the legislature specifically authorizes the governing bodies of the aforementioned systems to amend the respective retirement systems to provide an additional cost-of-living adjustment to a particular system, plan, or fund. The restrictions contained in this Subsection shall be inapplicable with respect to any system, fund, or plan relative to which the legislature has failed to grant a cost-of-living adjustment.

D. Disability retirees and surviving children or surviving spouses shall not be subject to the restrictions set forth in this Section.

E. Notwithstanding any other provision of law to the contrary, commencing at the end of the retirement system's 1985-1986 fiscal year, unless thereafter specifically provided for by the legislature, any public retirement or pension system, fund, or plan covered by this Section shall not provide a cost-of-living adjustment or permanent benefit increase during any fiscal year until the lapse of at least one-half of the fiscal year, and unless either the funds for such increase are provided as authorized from a credit balance in that system's funding deposit account or the actuary for the system and the legislative auditor certify that the funded ratio of the system, fund, or plan as of the end of the previous fiscal year equals or exceeds the target ratio as of that date for that system, fund, or plan. If the legislative auditor disagrees with the determination of the system's actuary, the matter shall be determined by majority vote of the Louisiana Public Retirement Systems' Actuarial Committee. For purposes of this Subsection, the funded ratio and target ratio are as defined below:

(1) The "funded ratio" as of any fiscal year end shall be the ratio of the actuarial value of assets to the actuarial accrued liability under the funding method prescribed by the office of the legislative auditor. The actuarial value of assets and actuarial accrued liability for a system shall be those amounts reported to the office of the legislative auditor in the Annual Report for Public Retirement Systems.

(2) The "target ratio" as of any fiscal year end shall be the lesser of (a) or (b) below:

(a) One hundred percent.

(b) The sum of (i), (ii), (iii), and (iv) below:

(i) The funded ratio as of the 1986 fiscal year end.

(ii) The number of fiscal years elapsed since the 1986 fiscal year end multiplied by one-thirtieth of the difference between one-hundred percent and the funded ratio of the system as of the 1986 fiscal year end.

(iii) The amount of each change in funded ratio due to mergers or changes in actuarial methods or assumptions occurring after the fiscal 1986 year end.

(iv) For each change in funded ratio due to mergers or changes in actuarial methods or assumptions occurring after the 1986 fiscal year end, an amount of opposite arithmetic sign from such change in funded ratio equal in absolute value to the number of fiscal years since the change in funded ratio multiplied by one-thirtieth of the original change in funded ratio due to the merger or change in actuarial methods or assumptions.

F. The power of the governing authority of a system listed in Subsection B of this Section to grant benefit increases pursuant to the provisions of this Section shall cease when the governing authority makes an irrevocable election pursuant to R.S. 11:243(B)(1) to have future benefit increases for retirees, survivors, and beneficiaries governed by R.S. 11:243.

Added by Acts 1982, No. 774, §1, eff. July 1, 1982; Acts 1983, No. 674, §3; Acts 1986, No. 256, §1, eff. June 28, 1986; Redesignated from R.S. 42:711.1 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1999, No. 402, §1; Acts 2007, No. 333, §1, eff. July 1, 2007; Acts 2012, No. 721, §1, eff. July 1, 2012; Acts 2013, No. 170, §1, eff. June 30, 2013.

§243. Cost-of-living adjustments; permanent benefit increases; restrictions; funding criteria

A. The provisions of this Section shall apply to the following retirement systems:

(1) The Assessors' Retirement Fund.

- (2) The Clerks' of Court Retirement and Relief Fund.
- (3) The District Attorneys' Retirement System.
- (4) The Municipal Employees' Retirement System of Louisiana.
- (5) The Parochial Employees' Retirement System of Louisiana.
- (6) The Registrars of Voters Employees' Retirement System.
- (7) The Sheriffs' Pension and Relief Fund.
- (8) The Municipal Police Employees' Retirement System.
- (9) The Firefighters' Retirement System.

B.(1) On or before December 31, 2013, the governing authority of each of the retirement systems listed in Subsection A of this Section shall, in a public meeting, make an irrevocable election to have future benefit increases for retirees, survivors, and beneficiaries governed by R.S. 11:242 or this Section. If the governing authority takes no action by the specified date, the provisions of this Section shall not apply, and the benefit increases of that system shall continue to be subject to the provisions of R.S. 11:242.

(2) After the governing authority has made its election, the board of trustees shall inform the speaker of the House of Representatives, the president of the Senate, and the Louisiana State Law Institute* of its election in writing.

C. The provisions of this Section do not repeal provisions relative to cost-of-living adjustments or permanent benefit increases contained within the laws governing the systems listed in Subsection A of this Section. However, the provisions of this Section are to be controlling in case of any conflict with such laws.

D. The power of the governing authority of a system covered by this Section to provide a cost-of-living adjustment or permanent benefit increase shall be effective in a particular calendar year only if the legislature fails to enact legislation granting a cost-of-living adjustment, unless in the legislation granting the cost-of-living adjustment, the legislature specifically authorizes the governing authority to provide an additional cost-of-living adjustment to retirees, beneficiaries, or survivors of retired public employees of that system.

E. No governing authority to which this Section applies shall provide a cost-of-living adjustment or permanent benefit increase to any retiree, beneficiary, or survivor during any calendar year prior to the final adjournment of the regular session of the legislature or do so during the same year within which the legislature has granted an increase, unless in the legislation granting the increase, the legislature specifically authorizes the governing body to provide an additional increase to retirees, beneficiaries, and survivors of that system. The restrictions contained in this Subsection shall be inapplicable with respect to any system for which the legislature has failed to grant an increase.

F. Disability retirees and surviving children or surviving spouses shall not be subject to the restrictions set forth in this Section.

G.(1) Notwithstanding any other provision of law to the contrary, no system covered by this Section shall provide a cost-of-living adjustment or permanent benefit increase during any fiscal year until the lapse of at least one-half of the fiscal year, and unless either the funds for such increase are provided as authorized from a credit balance in that system's funding

deposit account or the actuary for the system and the legislative auditor certify that the funded ratio of the system meets the requirements of one or more of the Subparagraphs in Paragraph (3) of this Subsection. If the legislative auditor disagrees with the determination of the system's actuary, the matter shall be determined by majority vote of the Public Retirement Systems' Actuarial Committee.

(2) For purposes of this Subsection, a system's "funded ratio" as of any fiscal year end shall be the ratio of the actuarial value of assets to the actuarial accrued liability under the funding method prescribed by the office of the legislative auditor. The actuarial value of assets and actuarial accrued liability for a system shall be those amounts reported to the office of the legislative auditor in the Annual Report for Public Retirement Systems.

(3) The governing authority of a system covered by this Subsection may grant a benefit increase to retirees, survivors, and beneficiaries if any of the following apply:

(a) The system has a funded ratio of ninety percent or more and has not granted a benefit increase to retirees, survivors, and beneficiaries in the most recent fiscal year.

(b) The system has a funded ratio of eighty percent or more and has not granted a benefit increase to retirees, survivors, and beneficiaries in either of the two most recent fiscal years.

(c) The system has a funded ratio of seventy percent or more and has not granted a benefit increase to retirees, survivors, and beneficiaries in any of the three most recent fiscal years.

Added by Acts 2013, No. 170, §1, eff. June 30, 2013; Acts 2014, No. 791, §5, eff. August 1, 2014.

**Note: Email received on July 25, 2014 from Louisiana State Law Institute:
Pursuant to R.S.11:243(B), as enacted by Acts 2013, No.170, The Louisiana State Law Institute has been informed by all of the retirement systems listed in R.S.11:243(A) of their election to be governed by the provisions of R.S.11:243.*

§266.1. Investment through Louisiana incorporated and domiciled broker-dealer

A. The provisions of this Section shall be applicable to every state public retirement or pension system, plan, or fund.

B. Each state public retirement or pension system, plan, or fund shall direct at least ten percent of the commissions on all trades of domestic equities in separately, actively managed portfolios and shall direct at least ten percent of all trades of domestic investment grade fixed income investments in separately managed accounts through broker-dealers selected on a best bid and offer basis who have been incorporated and domiciled in or who have had their principal trading operations in Louisiana for at least two years, who are registered and in good standing with the Financial Industry Regulatory Authority, and who have demonstrated the ability to execute institutional domestic equity and fixed income transactions. The broker-dealers defined in this Subsection shall negotiate commission recapture agreements with the systems. The commissions recaptured under any such agreement shall not be a majority of the total value of the commissions required to be directed to the broker-dealers pursuant to the provisions of this Section.

C. All trades shall be subject to best efforts and best executions as defined by the Securities and Exchange Commission and the Financial Industry Regulatory Authority.

D. The provisions of Subsections A, B, C, and D of this Section shall be implemented as a temporary pilot program and shall be null, void, and of no effect after June 30, 2010. An interim cost analysis of the provisions of this Section shall be performed by the systems and shall be presented to the speaker of the House of Representatives, the president of the Senate, the chairmen of the House of Representatives and Senate committees on retirement, the Public Retirement Systems' Actuarial Committee, and the Commission on Public Retirement at least fourteen days before the convening of the regular legislative session in 2007, and again at least fourteen days before the convening of the regular legislative session in 2010.

E. Each system to which this Section applies shall submit to the House and Senate committees on retirement quarterly and annual progress reports detailing the system's investments which comport with the provisions of this Section. Such reports shall continue notwithstanding the June 30, 2010, expiration of Subsections A, B, C, and D of this Section and shall be submitted as follows:

(1) An annual report for the year ending June 30, 2004, to be submitted on or before July 30, 2004.

(2) Quarterly reports beginning with the quarter ending September 30, 2004, to be submitted no more than thirty days after the end of the quarter.

(3) Annual reports beginning with the year ending June 30, 2005, to be submitted no more than thirty days after the end of the year.

Added by Acts 2003, No. 788, §1, eff. July 1, 2003; Acts 2004, No. 851, §1, eff. July 12, 2004; Acts 2005, No. 427, §1, eff. July 11, 2005; Acts 2007, No. 367, §1, eff. July 1, 2007; Acts 2010, No. 7, §1, eff. May 19, 2010.

§403. Definitions

The following words and phrases used in this Chapter shall have the following meanings, unless a different meaning is clearly required by the context:

(1) "Accumulated contributions" means the sum of all amounts paid by a member, excluding interest paid on the repayment of a refund, and credited to his individual account in the employee's savings account, together with regular interest credited prior to July 1969.

(2) "Actuarial equivalent" means a benefit of equivalent value to the accumulated contributions, annuity or benefits and regular interest, as the case may be, computed on the basis of the following assumptions:

(a) Interest shall be compounded annually at a rate established by the board and adopted by the Public Retirement Systems' Actuarial Committee.

(b) Annuity rates shall be determined on the basis of the 1971 Group Annuity Tables adjusted on a unisex table basis; however, no optional benefit which accrued prior to September 3, 1984, shall be less than the benefits would be as converted under the definition of actuarial equivalent as provided herein.

(3) "Actuarial tables" means the tables of mortality and rates of interest adopted by the board.

(4) "Agency" means any governmental body employing persons and includes

departments, agencies, boards, commissions, and courts.

(5)(a)(i) "Average compensation", for a member whose first employment making him eligible for membership in the system began on or before June 30, 2006, and for any person who receives an additional benefit pursuant to R.S. 11:444(A)(2)(b) or (c), 557, 582, or 602 or R.S. 24:36 whose first employment making him eligible for membership in one of the state systems occurred on or before December 31, 2010, means the average annual earned compensation of a state employee for the thirty-six highest months of successive employment, or for the highest thirty-six successive joined months of employment where interruption of service occurred; however, average compensation for part-time employees who do not use thirty-six months of full-time employment for average compensation purposes shall be based on the base pay the part-time employee would have received had he been employed on a full-time basis.

(ii) The earnings to be considered for the thirteenth through the twenty-fourth month shall not exceed one hundred twenty-five percent of the earnings of the first through the twelfth month. The earnings to be considered for the final twelve months shall not exceed one hundred twenty-five percent of the earnings of the thirteenth through the twenty-fourth month. Nothing in this Subparagraph, however, shall change the method of determining the amount of earned compensation received.

(b)(i) "Average compensation", for a member whose first employment making him eligible for membership in the system began on or after July 1, 2006, and subject to the limitations provided in this Subparagraph, means the average annual earned compensation of a state employee for the sixty highest months of successive employment or for the highest sixty successive joined months of employment where interruption of service occurred; however, average compensation for part-time employees who do not use sixty months of full-time employment for average compensation purposes shall be based on the base pay the part-time employee would have received had he been employed on a full-time basis. This Item shall also be applicable to any judge, court officer, governor, lieutenant governor, clerk or sergeant-at-arms of the House of Representatives, secretary or sergeant-at-arms of the Senate, or state treasurer whose first employment making him eligible for membership in one of the state systems occurred on or after January 1, 2011.

(ii) The earnings to be considered for persons to whom Item (i) of this Subparagraph applies for the thirteenth through the twenty-fourth month shall not exceed one hundred fifteen percent of the earnings of the first through the twelfth month. The earnings to be considered for the twenty-fifth through the thirty-sixth month shall not exceed one hundred fifteen percent of the earnings of the thirteenth through the twenty-fourth month. The earnings to be considered for the thirty-seventh through the forty-eighth month shall not exceed one hundred fifteen percent of the earnings of the twenty-fifth through the thirty-sixth month. The earnings for the final twelve months shall not exceed one hundred fifteen percent of the earnings of the thirty-seventh through the forty-eighth month. The limitations on the computation of average compensation contained in this Item shall not apply to any twelve-month period during which compensation increased by more than fifteen percent over the previous twelve-month period solely because of an increase in compensation by a

uniform systemwide increase adopted by the state Department of Civil Service and approved by the governor or because of a pay adjustment enacted by the legislature. This Item shall also be applicable to any judge, court officer, member of the Louisiana Legislature, governor, lieutenant governor, clerk or sergeant-at-arms of the House of Representatives, secretary or sergeant-at-arms of the Senate, or state treasurer whose first employment making him eligible for membership in one of the state systems occurred on or after January 1, 2011.

(iii) The provisions of this Subparagraph shall not apply to any person who receives an additional benefit pursuant to R.S. 11:444(A)(2)(b) or (c), 557, 582, or 602 or R.S. 24:36 whose first employment making him eligible for membership in one of the state systems occurred on or after January 1, 2011.

(6) "Base pay" means prescribed compensation for a specific position on a full-time basis, but does not include overtime, per diem, differential pay, payment in kind, premium pay, or any other allowance for expense authorized and incurred as an incident to employment, except supplemental pay for certain members as provided by Article X, Section 10(A)(1) of the Louisiana Constitution of 1974. Employees who work biweekly eighty-hour schedules shall have their earned compensation for such regularly scheduled work considered as part of base pay even if some of these hours are defined as overtime for the purpose of the Fair Labor Standards Act.

(7) "Beneficiary" means any person designated by the member or legally entitled to receive a retirement allowance, an annuity, or other benefit.

(8) "Board" means the Board of Trustees of the Louisiana State Employees' Retirement System.

(9) "Creditable service" means prior service plus membership service for which credit is allowable as provided in this Chapter.

(10) "Earned compensation" means the base pay earned by an employee for a given pay period as reported to the system on a monthly basis by the agency which shall include the cash value of any emolument of office in the form of paid compensation in lieu of salary which is subject to federal and state payroll taxes and includes the full amount earned by an employee, overtime, and per diem earned by an employee of the House of Representatives, the Senate, or an agency of the legislature, and expense allowances and per diem paid to members of the legislature, the clerk, or sergeant at arms of the House of Representatives and president and secretary or sergeant at arms of the Senate.

(11) "Employee" means any person legally occupying a position in the state service.

(12) "Employer" means the state of Louisiana or any of its boards, commissions, departments, agencies, and courts which are contributing members of the Louisiana State Employees' Retirement System.

(13) "Fiscal year" means the period beginning July first of any year and ending June thirtieth of the next succeeding year.

(14) "Intermittent employee" means an employee working an indefinite schedule on an "as needed" basis.

(15) "Job appointment" means employment for a fixed period not to exceed two years.

(16) "Medical board" shall mean the State Medical Disability Board.

(17) "Member" means any person included in the membership of the system.

(18) "Membership service" means service after July 1, 1947 as an employee while a member of the system.

(19) "Minor child" means an unmarried child under the age of eighteen years or an unmarried student under the age of twenty-three years who is the issue of a marriage of a member of this system, the legally adopted child of a member of this system, a child born outside of marriage of a female member of this system, or the child of a male member of this system if acknowledged or filiated pursuant to the provisions of the Civil Code.

(20) "Part-time employee" means any employee who is a part-time, seasonal, or temporary employee as defined in 26 CFR 31.3121(b)(7)-2, or in any successor regulations.

(21) "Position" means any office or any employment in the state service.

(22) Repealed by Acts 2001, No. 679, §2, eff. June 25, 2001.

(23) "Refund" means the withdrawal of all accumulated contributions at least thirty days after termination from the state service, or with respect to members having the option of belonging to the system, withdrawal of all accumulated contributions at least thirty days after receipt by the system of written notice of withdrawal.

(24) "Retirement" means termination of active service, with a retirement allowance granted under the provisions of this Chapter.

(25) "Retirement allowance or benefit" means an annuity for life paid in equal monthly installments.

(26) "Spouse" means a person who is legally married to a member of this system.

(27) "State" means the state of Louisiana.

(28) "State service" means the type of agency service performed by its employees, elected officials, and appointed officials, who are members of the system or the type of agency service established in accordance with R.S. 11:412.

(29) "Student" means a person enrolled in a high school, a vocational-technical school, or a college or university, in a sufficient number of courses and classes in such institution to be classified as a full-time regular student under the criteria used by the institution in which he is enrolled. In addition, the person must actually attend at least eighty percent of the total number of classes in which he is enrolled.

(30) "System" means the Louisiana State Employees' Retirement System.

(31) "Terminal leave payment" is the amount paid to an employee upon termination of state service for the value of accrued annual leave to his credit at the time of termination under such limitations as established by the State Civil Service Commission.

(32) "Termination" means complete cessation of employment with the state.

(33) "Vested right" means when a member obtains retirement eligibility as to age and service in accordance with the provisions of this Chapter.

Acts 1972, No. 135, §1, eff. July 26, 1972. Amended by Acts 1976, No. 239, §1; Acts 1978, No. 67, §1; Acts 1978, No. 727, §7, eff. Jan. 1, 1979; Acts 1982, No. 190, §1; Acts 1983, No. 674, §3; Acts 1984, No. 473, §1; Acts 1987, No. 184, §1; Acts 1988, No. 657, §1, eff. July 15, 1988; Acts 1989, No. 76, §1; Acts 1989, No. 217, §1; Redesignated from R.S. 42:543 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1992, No. 518, §2, eff. June 26,

1992; Acts 1995, No. 1025, §1, eff. July 1, 1995; Acts 1997, No. 1201, §1, eff. July 15, 1997; Acts 1999, No. 42, §1; Acts 2001, No. 679, §1, eff. June 25, 2001; Acts 2004, No. 26, §6; Acts 2005, No. 75, §1, eff. July 1, 2005; Acts 2006, No. 835, §1, eff. July 1, 2006; Acts 2007, No. 353, §1, eff. June 30, 2007; Acts 2010, No. 95, §1, eff. July 1, 2010; Acts 2010, No. 992, §1, eff. January 1, 2011.

§545. Department of Public Safety Peace Officers Fund

A. There is hereby established in the state treasury a special fund to be known as the "Department of Public Safety Peace Officers Fund" hereinafter referred to as the "fund".

B.(1) At the close of the 2006-2007 Fiscal Year, after allocation of money to the Bond Security and Redemption Fund as provided in Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer shall deposit in and credit to the fund:

(a) An amount equal to one-half of the sum collected for the temporary permit fee charged pursuant to R.S. 47:511.1(A) during the 2006-2007 Fiscal Year; and

(b) Any monies previously allocated to the Department of Public Safety and Corrections Police Officer Fund created by Act No. 728 of the 2006 Regular Session of the Legislature.

(2) The treasurer shall deposit in and credit to the fund any amount appropriated to the fund or otherwise made available thereto by the legislature. Such deposit shall be made on the effective date of any such appropriation or upon such amount being otherwise made available to the fund.

(3) Beginning with the 2007-2008 Fiscal Year and for each fiscal year thereafter, and after allocation of money to the Bond Security and Redemption Fund as provided in Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer shall deposit in and credit to the fund on a monthly basis an amount equal to one-half of the sum collected for the temporary permit fee charged pursuant to R.S. 47:511.1(A).

C. Monies in the fund shall be invested in the same manner as the state general fund monies. Interest earned on the investment of monies in the fund, after being credited to the Bond Security and Redemption Fund pursuant to Article VII, Section 9(B) of the Constitution of Louisiana, shall be credited to the fund. All unexpended and unencumbered monies and earnings remaining in the fund at the end of the fiscal year shall remain in the fund and shall be available for allocation in the next fiscal year in the same manner and for the same purposes as provided in this Section.

D. The monies in the fund shall be used for funding retirement benefits for peace officers, as defined in R.S. 40:2402(3)(a), employed by the Department of Public Safety and Corrections, office of state police, other than state troopers. Any monies in the fund not used for retirement benefits as provided in this Section may be used for special law enforcement initiatives and to support the operations of the Department of Public Safety and Corrections, Capitol Complex Police Force.

E. On October first of each fiscal year, beginning with the 2007-2008 Fiscal Year, the treasurer shall allocate and distribute to the system from the fund the amount of any amortization payment calculated by the system actuary and contained in the system's valuation for the previous fiscal year approved by the Public Retirement Systems' Actuarial

Committee to be paid from the fund; however, in no case shall the allocation and distribution to the system provided in this Subsection exceed the balance in the fund. Any unpaid portion of an amortization payment for a particular fiscal year shall be treated as an underpayment pursuant to R.S. 11:102(B)(2)(c) and shall be included in the calculation of the actuarially required contribution for all employers of the system for the following fiscal year.

Added by Acts 2007, No. 414, §1, eff. June 30, 2007; Acts 2014, No. 524, §1, eff. August 1, 2014.

§546. Adult Probation and Parole Officer Retirement Fund

A. There is hereby established in the state treasury a special fund to be known as the Adult Probation and Parole Officer Retirement Fund, hereafter in this Section, the "fund".

B. Beginning with the 2009-2010 Fiscal Year and for each fiscal year thereafter, and after allocation of money to the Bond Security and Redemption Fund as provided in Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer shall deposit in and credit to the fund on a monthly basis an amount equal to the sum collected for the processing fee charged pursuant to R.S. 15:574.4.2 less any decrease from other parole and probation fees collected in Fiscal Year 2008-2009 and the amount of such fees collected in the current fiscal year, if there is any decrease in the collection of such fees.

C. Monies in the fund shall be invested in the same manner as the state general fund monies. Interest earned on the investment of monies in the fund, after being credited to the Bond Security and Redemption Fund pursuant to Article VII, Section 9(B) of the Constitution of Louisiana, shall be credited to the fund. All unexpended and unencumbered monies and earnings remaining in the fund at the end of the fiscal year shall remain in the fund.

D.(1) Until any actuarially accrued liability for retirement benefits for probation and parole officers in the office of adult services of the Department of Public Safety and Corrections created pursuant to Acts 2014, No. 852 has been fully funded, the monies in the fund shall be used exclusively for the purpose of providing funding for such actuarially accrued liability, and for payment of any normal cost increase caused by Acts 2014, No. 852.

(2) After such actuarially accrued liability has been fully funded, all monies in the fund shall be available to the Department of Public Safety and Corrections to help defray the costs of supervision of persons on probation or parole, including the normal cost of retirement benefits for employees of the department who are members of this system.

E.(1) On March 30, 2015, the treasurer shall allocate and distribute to the system from the fund an initial payment of one million dollars. This payment shall be used first to fund the first year's normal cost increase. The balance shall be applied to the amortization of the unfunded accrued liability, if any, created by enactment of R.S. 11:444(A)(2)(d). The June 30, 2014, system valuation shall account for this initial payment.

(2) On April 1, 2016, and on April first of each year thereafter, the treasurer shall allocate and distribute to the system from the fund the amount of any amortization and normal cost payments to be paid from the fund as calculated by the system actuary and contained in the system's valuation for the previous fiscal year and approved by the Public Retirement Systems' Actuarial Committee; however, the allocation and distribution to the

system provided for in this Paragraph shall not exceed the balance in the fund.

(3) In addition to the payment required by Paragraph (2) of this Subsection, on April first of each year, the treasurer shall allocate and distribute to the system from the fund any amount over fifty thousand dollars of the balance remaining in the fund after the payment required by Paragraph (2) of this Subsection has been made. Thereafter, not less than quarterly, the treasurer shall allocate and distribute to the system any balance remaining in the fund exceeding fifty thousand dollars. The system shall hold these allocations and distributions in a separate account to be used only for the following purposes:

(a) Funding the next fiscal year's payment for actuarially accrued liability and normal cost payable pursuant to Paragraph (2) of this Subsection, if the balance in the fund is insufficient to fully finance that fiscal year's payment.

(b) To make an additional payment toward the actuarially accrued liability created by Acts 2014, No. 852.

(4) Any unpaid portion of an amortization or normal cost payment for a particular fiscal year shall be included in the next year's system valuation as part of an individualized calculation pursuant to R.S. 11:102(C)(3) and (4).

Added by Acts 2009, No. 299, §1, eff. July 1, 2009; Acts 2014, No. 852, §1, eff. June 30, 2014.

§1331.1. Cost-of-living adjustment; minimum benefit

A. The provisions of Subsection B of this Section shall apply to:

(1) Any regular retiree of the system who, on June 30, 2006:

(a) Has twenty or more years of service credit; and

(b) Has been retired for fifteen years or more; and

(c) Receives a monthly retirement benefit of less than one thousand two hundred dollars.

(2) Any regular retiree of the system who, on June 30, 2006:

(a) Has been retired for thirty years or more; and

(b) Has attained the age of eighty or more; and

(c) The sum of his years retired plus his years of service credit equals or exceeds fifty; and

(d) Receives a monthly retirement benefit of less than one thousand two hundred dollars.

(3) Any disability retiree who as of June 30, 2006, receives a monthly retirement benefit of less than one thousand two hundred dollars.

(4) The surviving spouse of any regular or disability retiree who would have been eligible to receive the benefit increase provided pursuant to Subsection B of this Section had he lived, provided such spouse was married to the retiree at the time of his death.

B. (1) Each person to whom this Subsection applies shall have his current monthly retirement benefit increased as a cost-of-living adjustment by the lesser of:

(a) Three hundred dollars; or

(b) The difference between one thousand two hundred dollars and his current monthly benefit, if said benefit is less than one thousand two hundred dollars.

(2) The actuarial cost of implementing the provisions of this Subsection shall be paid from excess interest earnings of the system.

(3) The additional monthly benefit provided in this Subsection shall be due and payable on the earlier of June 30, 2007, or the effective date of any cost-of-living adjustment granted by the board of trustees pursuant to Subsection C of this Section.

C. In accordance with the requirements of R.S. 11:242 (B) and (C), and if the provisions of R.S. 11:242(E) are satisfied according to the system's June 30, 2006, actuarial valuation adopted by the Public Retirement Systems' Actuarial Committee, the board of trustees is authorized to use excess interest earnings of the system which are not required for the funding of the actuarial cost of implementing the provisions of Subsection B of this Section to grant an additional cost-of-living adjustment to benefit recipients pursuant to the formula set forth in R.S. 11:241(B) and to grant a supplemental cost-of-living adjustment to retirees and beneficiaries who are sixty-five years of age or over pursuant to the provisions of R.S. 11:246(B).

Added by Acts 2007, No. 370, §1, eff. June 30, 2007.

§1402. Definitions

As used in this Chapter, the following words and phrases shall have the meanings ascribed to them unless the context clearly indicates otherwise:

(1) "Accumulated employee contributions" means the sum of all amounts deducted from a member's salary and paid to the fund.

(2) "Board" means the board of trustees of the Assessors' Retirement Fund.

(3) "Designated beneficiary" means the person most recently designated in writing by a member to receive any benefits to which the member may be entitled.

(4) "Fund" means the Assessors' Retirement Fund.

(5) "Minor child" means a child who is less than the age of eighteen years or who has a physical or mental disability, regardless of age, who is the issue of a marriage of the member or former member, the legally adopted child of a member or former member, the natural child of a female member or former member, or the child of a male member or former member if a court of competent jurisdiction has, during the lifetime of such male member or former member, issued an order of filiation declaring the paternity of such male member for the child.

(6)(a) "Monthly average final compensation", for a member whose first employment making him eligible for membership in the system began on or before September 30, 2006, means the average of a member's monthly salary during the highest compensated thirty-six consecutive months or successive joined months if service was interrupted.

(b) "Monthly average final compensation", for a member whose first employment making him eligible for membership in the system began on or after October 1, 2006, means the average of a member's monthly salary during the highest compensated sixty consecutive months or successive joined months if service was interrupted.

(c) Compensation of a member in excess of one hundred fifty thousand dollars, as adjusted for increases in the cost of living under Section 401(a)(17)(B) of the Internal Revenue Code shall not be taken into account for years beginning on or after January 1,

1994, and ending before January 1, 2002. Compensation of a member in excess of two hundred thousand dollars as adjusted for increases in the cost of living under Section 401(a)(17)(B) of the Internal Revenue Code shall not be taken into account for years beginning on or after January 1, 2002. However, in determining monthly average final compensation for a member retiring on or after January 1, 2002, compensation which is permitted to be taken into account on or after January 1, 2002, but which occurred in a prior year that was included in the averaging period shall be taken into account. This limitation may be adjusted from time to time by rules promulgated by the board in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

(d) For purposes of compliance with federal tax-qualification requirements, the board may promulgate rules further defining "compensation" and "Section 415 compensation", in accordance with the provisions of the Administrative Procedure Act.

(7) "Surviving spouse" means a person who is legally married to a member of the system and living with the member at the time of his death.

(8) "Actuarial equivalent" means a benefit of equivalent value to the accumulated contributions, annuity or benefits and regular interest, as the case may be, computed on the basis of such mortality and interest tables as shall be adopted by the board of trustees in accordance with the provisions of R.S. 11:1404. In the absence of resolution by the board, the following assumptions shall be used:

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

(b) Annuity rates shall be determined on the basis of the mortality tables utilized for the latest system valuation approved by the Public Retirement Systems' Actuarial Committee.

Acts 1989, No. 545, §1, eff. July 5, 1989; Redesignated from R.S. 47:8052 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1997, No. 691, §1, eff. July 1, 1997; Acts 2004, No. 794, §1; Acts 2006, No. 780, §1, eff. June 30, 2006; Acts 2011, No. 364, §1, eff. July 1, 2011; Acts 2014, No. 811, §4, eff. June 23, 2014.

PART IV. BENEFITS

§1631. Retirement benefits; application; eligibility requirements

A. Each member shall be paid retirement benefits according to the eligibility requirements and benefits specified in R.S. 11:1632 or R.S. 11:1633, whichever is applicable.

B.(1) Any person becoming a member of the system on or after July 1, 1990, shall be eligible for and receive benefits as specified in R.S. 11:1633.

(2) If the Public Retirement Systems' Actuarial Committee adopts a net direct employer contribution rate equal to or less than one and twenty-five hundredths percent (1.25%) applicable to this system for Fiscal Year 1998-1999 or Fiscal Year 1999-2000, then any person who is a member of the system on the date such rate is adopted and who is eligible to receive benefits under R.S. 11:1632 shall be eligible for and receive benefits as specified in R.S. 11:1633 unless he notifies the board of trustees in writing of his election to receive benefits under R.S. 11:1632 within ninety days of the adoption of such rate.

C. The actual retirement benefit paid to any member after reduction for optional allowance as set forth in R.S. 11:1637 shall not exceed one hundred percent of his average

final compensation as defined by R.S. 11:1581(5) regardless of the number of years of service of the affected member.

D. The retirement allowance shall begin as of the date specified by the member in his application for retirement or the date that the member's application for retirement is received by the board, whichever is later; however, in no event shall the allowance begin before the member's withdrawal from service.

E. Should any member who has retired from this system be retained by any district attorney in the state in any capacity other than as an employee, his benefit shall be suspended during said employment and he shall not be paid any benefits for the period covered by such employment.

F.(1) Except as provided in Paragraph (2) of this Subsection, if any member who has retired from this system is reemployed as an employee by any district attorney in the state, his retirement benefit shall be suspended during said employment, and he shall not be paid any benefits for the period covered by such employment. He shall, upon such reemployment, again become an active contributing member of the system, with the option of establishing service credit for any period of full-time employment as district attorney or assistant district attorney since returning to such employment following retirement by payment into the system the employer and employee amount plus interest that would have been withheld and paid into the system for that period based upon his total salary for such period. He shall accrue a supplemental retirement benefit based on his service rendered after reemployment. If the member continues employment after retirement for a period of less than sixty months, his supplemental monthly retirement benefit shall equal the benefit calculated under R.S. 11:1632 or 1633, whichever is applicable, based on the lesser of his average final compensation at his original retirement date or his average final compensation during the period of his subsequent reemployment. If the member continues in employment after retirement for a period of sixty months or more, his supplemental monthly retirement benefit shall equal the benefit calculated under R.S. 11:1632 or 1633, whichever is applicable, based on his average final compensation during his period of reemployment. Upon retirement subsequent to reemployment, his benefit shall be equal to the benefits he was receiving immediately prior to reemployment plus the supplemental benefit earned during his reemployment.

(2) Notwithstanding the provisions of Paragraph (1) of this Subsection, if any district attorney or assistant district attorney has retired in accordance with R.S. 11:1633(A)(1)(b) or (c) and is reemployed by any district attorney in this state and paid a salary of less than the annual salary provided for in R.S. 16:11(A)(1), his benefit shall not be suspended, and he shall not be considered a member, nor shall he earn additional credit or be required to pay contributions.

G. Forfeitures resulting from a termination of employment or a withdrawal of a member's own contributions may not be used to increase benefits to remaining members.

Added by Acts 1956, No. 56, §5(1); Redesignated from R.S. 16:1041 by Acts 1991, No. 74, §3, eff. June 25, 1991; Acts 1993, No. 234, §1, eff. June 1, 1993; Acts 1995, No. 682, §1; Acts 1997, No. 1052, §1; Acts 2008, No. 719, §1, eff. August 15, 2008; Acts 2012,

No. 515, §1, eff. January 1, 2013; Acts 2012, No. 523, §1, eff. January 1, 2013.

§1671.1. Indexing; equity limitations; pilot program

A. A temporary pilot program is hereby created for the purpose of obtaining empirical evidence. The program authorizes this fully funded, statewide public retirement system to prudently exceed the fifty-five percent equity limit which is applicable to all other such systems. The program contains certain mandatory safeguards and automatically phases out after July 1, 2003, with a one-year portfolio transition period following that date. All laws of this system regarding retirement eligibility criteria, benefits and the payment thereof, and all service and service credit remain unchanged by the implementation of this program.

B.(1)(a) The board of trustees of this system shall cause to be invested an amount equal to at least ten percent of the system's total equity portfolio in one or more index funds which seek to replicate the performance of the chosen index or indices.

(b)(i) The board of trustees may divest the system of the system's indexed funds if the Standard and Poor's 500 Composite Index, including dividend reinvestment, declines by an amount exceeding ten percent during the twelve-month period immediately preceding such divestment and further provided that the board furnishes written notice of such divestment to the House Retirement Committee and the Senate Retirement Committee within ten days following the board's decision to divest.

(ii) If the board divests the system of the system's indexed funds under the authority of this Subparagraph, and if the Standard and Poor's 500 Composite Index, including dividend reinvestment, increases by an amount exceeding ten percent, as compared to such index on the date that the board took official action causing such divestment, then the board shall reindex equity assets in accordance with the provisions of this Subsection.

(2) The indexing strategy set forth in Paragraph (1) of this Subsection may be phased in over a period of time, provided that the indexing strategy shall be in full compliance with the provisions of this Section on or before July 1, 2000.

(3) For purposes of this Section, the term "equity" shall mean ownership of a corporation represented by shares that are publicly traded on a recognized exchange, including the National Association of Securities Dealers Automated Quotation (NASDAQ).

(4) The provisions of this Subsection shall be implemented without regard to Subsection C of this Section.

C. Notwithstanding any other provision of law to the contrary, and specifically R.S. 11:263(E), the board of trustees may invest up to sixty-five percent of the system's total portfolio in equity securities, as that term is defined in Paragraph B(3) of this Section.

D. On and after July 1, 2003, the board of trustees shall no longer be authorized to invest up to sixty-five percent of the system's total portfolio in equity securities as set forth in Subsection B of this Section, and the board shall have from July 1, 2003 to July 1, 2004, to reallocate such assets so as to bring the system's portfolio into compliance with the provisions of R.S. 11:263(E).

E. Upon request of either the House Retirement Committee or the Senate Retirement Committee, the board shall furnish a comprehensive written report to the requesting entity setting forth the actuarial and fiscal experience related to this pilot program.

Acts 1999, No. 379, §1.

§2253. Membership

A. The membership of the retirement system shall be composed as follows:

(1)(a)(i) Except as provided in R.S. 11:2252(12), and except as provided further in this Paragraph, any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980, shall become a member as a condition of his employment.

(ii) However, no person who has attained age fifty or over shall become a member of the system, unless the person becomes a member by reason of a merger or unless the retirement system received his application for membership before he attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the system.

(b)(i) Except as otherwise provided in Item (ii) of this Subparagraph, the mandatory membership provisions of this Paragraph shall be inapplicable with respect to any municipality, parish, or fire protection district which on or before January 1, 1980, enacts an ordinance exempting the municipality, parish, or fire protection district from the provisions of this Paragraph, which ordinance is hereby authorized.

(ii) Subject to the provisions of R.S. 11:2260(A)(11)(h), the mandatory membership provisions of this Paragraph shall apply to the municipality, parish, and fire protection districts in and for the parish of East Baton Rouge with respect to firefighter employees meeting the definition of "employee" under the provisions of this Chapter when the boards of trustees of this retirement system and of the Baton Rouge City Parish Employees' Retirement System enter into an agreement to merge any members of the latter system, who qualify as employees under the provisions of this Chapter, into this system. However, any such agreement shall only be effective upon ratification by ordinance of the Metropolitan Council of the city of Baton Rouge and the parish of East Baton Rouge, with the approval of the mayor-president, and subsequent approval by the Joint Legislative Committee on Retirement.

(2)(a) Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this system, provided he meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this retirement system, or for any other purpose in order to attain eligibility or increase the amount of service credit in this retirement system.

(b) Notwithstanding the provisions of Subparagraph (a) of this Paragraph, any person who has retired from service with a disability pension from any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving disability retirement benefits therefrom shall not be eligible for membership in this system.

(3)(a) Any person who is an employee as the term is defined in R.S. 11:2252 on the date that the retirement system is established, except those specifically excluded under

Paragraph (2) of this Subsection, may become a member at any time, provided he files with the board of trustees on a form prescribed by such board, a notice of his election to be covered in the membership of the system and completes the necessary forms which may be required by the board. The board shall not approve any credit for prior service.

(b) Any person who is an employee as the term is defined in R.S. 11:2252, who is also a member of any other retirement system in Louisiana when this Chapter takes effect, may elect to cease to be a member in such fund after the effective date of this Chapter and then become a member of the new system, and have credit in each system recognized under the provisions of R.S. 11:142.

B. Should any member, after becoming a member, be absent from service for more than eighteen months and not be entitled to a deferred annuity as provided in this Chapter, or should he withdraw his accumulated contributions, or should he become a beneficiary or die, he shall thereupon cease to be a member.

C.(1)(a) Notwithstanding the provisions of R.S. 11:2252(10) and (11), any full-time firefighter or any person in a position as defined in the municipal fire and police civil service system who is employed by one of the following fire protection districts may, with the approval of the Metropolitan Council and the City-Parish Employees' Retirement Board, become members of the Firefighters' Retirement System:

- (i) St. George Fire Protection District No. 2.
- (ii) Brownsfield Fire Protection District No. 3.
- (iii) Central Fire Protection District No. 4.
- (iv) Eastside Fire Protection District No. 5.
- (v) East Baton Rouge Fire Protection District No. 6.
- (vi) Chaneyville Fire Protection District No. 7.
- (vii) Pride Fire Protection District No. 8.
- (viii) Alsen-St. Irma Lee Fire Protection District No. 9.

(b)(i) The reassignment of membership provided in this Paragraph shall be treated as a merger subject to the provisions of R.S. 11:2260(A)(11)(b), except that the transaction shall be subject to the approval of the House and Senate committees on retirement meeting jointly.

(ii) Such merger shall be accomplished by having the transferring system transfer funds to the Firefighters' Retirement System in accordance with the provisions of R.S. 11:143(C) and the aggregate amount of funds transferred to the Firefighters' Retirement System shall not be less than sixty percent of the accrued liability assumed.

(iii) The difference between the total accrued liability assumed and the actual funds transferred shall be allocated to the Firefighters' Retirement System from the fund established in R.S. 22:1476(A) for the merger of retirement systems and funds with this system.

(iv) The benefit accrual rate applicable to all service transferred pursuant to this Subsection shall be three and one-third percent.

(2) Any person who becomes employed on or after January 31, 2002, by any fire protection district set forth in Subparagraph (1)(a) of this Subsection shall become a member of this system. The reassignment of the membership of any person who became employed on or before January 30, 2002, and whose membership is reassigned on or after January 31,

2002, pursuant to the provisions of Paragraph (1) of this Subsection shall not be treated as a merger, but shall be executed on an actuarial basis and shall be subject to the provisions of R.S. 11:143, unless such a person's written application for such reassignment was received by the system on or before January 30, 2002.

D. In any case of doubt, the board of trustees shall be the sole judge as to eligibility for membership.

Acts 1999, No. 1320, §1; Acts 2003, No. 719, §1, eff. June 27, 2003; Acts 2006, No. 492, §1, eff. July 1, 2006; Acts 2006, No. 562, §1, eff. June 23, 2006.