RÉSUMÉ DIGEST

ACT 528 (HB 47) **2026 Regular Session** **Berault**

Existing law authorizes certain statewide retirement systems including the Assessors' Retirement Fund (ASSR) to grant increases in the monthly benefit of retirees and other beneficiaries, commonly called cost-of-living adjustments (COLAs). Provides for eligibility for, the timing, and the amount of COLAs. Limits the authority to grant a COLA based on the funded level of the system and the time since the last COLA was granted.

Existing law, applicable to certain statewide systems, authorizes the ASSR board of trustees to set an employer contribution rate above the actuarially required contribution rate calculated in accordance with existing law. Allows the board to set a rate between the current rate and the actuarially required rate.

Existing law allows the board to set the rate up to 3% higher than the actuarially required rate.

Existing law, applicable to certain statewide systems including ASSR, provides for a funding deposit account (FDA) for the accumulation of the additional employer contributions collected as a result of the board setting an employer contribution rate above the actuarially required rate.

Existing law provides, relative to ASSR, that the purposes for which the money in the FDA may be used are as follows:

(1) To reduce the present value of future normal costs.

(2) To pay all or a portion of any future net direct employer contributions.

(3) To provide for cost-of-living increases, in accordance with existing law.

Prior law authorized the ASSR board of trustees to use excess investment earnings to provide a COLA of up to 3% of the original benefit to retired members or their beneficiaries.

Prior law limited the annual amount of the COLA to $300.

New law removes authority for using excess investment earning to fund COLAs and makes the FDA the sole authorized funding source; removes the $300 annual cap; applies any percent increase to the current benefit; and provides that the COLA begins on Oct. first following the board's approval.

Existing law limits the authority of certain statewide system boards to grant a COLA based on funding level and the date of most recent COLA. A board may grant a COLA if the system is:

(1) At least 90% funded and no COLA was granted in the most recent fiscal year.

(2) At least 80% funded and no COLA was granted in either of the two most recent fiscal years.

(3) At least 70% funded and no COLA was granted in any of the three most recent fiscal years.

New law authorizes the ASSR board to grant a COLA in any fiscal year in which the system is more than 100% funded.

New law specifies that the funded ratio as of any fiscal year end shall be defined as the ratio of the actuarial value of assets to the level percentage of payroll entry age normal actuarial accrued liability. Excludes the money that will fund the COLA from the determination of funded ratio.

Existing law provides that, unless the legislature or the system board of trustees specifies otherwise, a COLA shall be an increase of the monthly benefit of each recipient in the dollar amount equal to:

(1) The total of the number of years of credited service accrued at retirement or at the death of the member or retiree.

(2) The number of years since retirement or since the death of the member or retiree.

Existing law provides that if there are not sufficient funds to fund the benefit at the rate of $1 per year for the total number of years, then the rate shall be reduced in proportion to the amount of funds that are available in the FDA to fund the COLA.

New law authorizes the ASSR board to grant a COLA of a dollar amount based on years of service and the years since the benefit payments began. Authorizes the board to use more than $1 as the multiplier and to have different multipliers.

New law limits the selection of multiples used in this calculation by prohibiting the total actuarial present value of an increase under new law from exceeding the actuarial present value of a COLA that increases each recipient's benefit by 3%.

Existing law, applicable to certain statewide systems including ASSR, authorizes the board of trustees to use excess investment income to provide a supplemental COLA equal to 2% of the original benefit to all retirees and beneficiaries who are 65 years of age or older. Limits the authority to years in which the actuarial rate of return exceeds the valuation interest rate.

Existing law governing the FDA allows FDA funds to be used to pay any COLA otherwise authorized by existing law.

New law authorizes the ASSR board to grant a COLA of up to 2% of the current benefit to recipients who are 65 years of age or older funded by funds in the FDA. Specifies that this may be in addition to any other COLA granted.

Prior law provided relative to the authority of the board of trustees to grant a COLA in a year in which the legislature fails to enact legislation granting a COLA.

Prior law prohibited the governing authority from granting a COLA during any calendar year prior to the final adjournment of the regular session of the legislature.

Prior law provided that a COLA cannot be granted until a lapse of at least one-half of the fiscal year and the funded ratio of the previous fiscal year exceeds the target ratio as defined in existing law.

New law removes the limitations of prior law for ASSR.

Effective upon signature of governor (May 29, 2026).

(Amends R.S. 11:1404(A), 1461, and 1481(1)(b); Adds R.S. 11:1485; Repeals R.S. 11:105(A)(1), 106(A)(1), 107(A)(1), 107.1(A)(1), 242(B)(1), 243(A)(1), and 246(A)(1))