RÉSUMÉ DIGEST

ACT 279 (HB 22) **2026 Regular Session** **Bacala**

Existing law authorizes certain statewide retirement systems including the Clerks' of Court Retirement and Relief Fund (Clerks) to grant adjustments in monthly benefits to retirees, commonly called cost-of-living adjustments (COLAs). Provides for eligibility, timing, and the amount of the COLA. Limits the authority to grant a COLA based on the funding percentage of the system and the time the last COLA was granted.

Existing law, applicable to certain statewide systems, authorizes the Clerks board of trustees to set an employer contribution rate above the actuarially required contribution rate calculated in accordance with existing law. Authorizes the board to set a rate between the current rate and the actuarially required minimum rate. Allows the board to set the employer rate up to 3% higher than the actuarially required rate.

Existing law authorizes the Clerks board of trustees to grant a COLA to eligible benefit recipients who have been retired for at least one full year.

Prior law provided that COLAs were granted only to retired members.

New law specifies that all retirees, beneficiaries, and survivors are eligible to receive COLAs. Requires the funding deposit account (FDA) to be the source of funding.

Prior law limited the COLA to the lesser of 2.5% or $40 per month.

New law increases the maximum COLA to 3% and removes the $40 per month cap.

New law provides that the COLA begins on a date as determined by the board of trustees following board approval of the actuarial valuation and subsequent adoption by the Public Retirement Systems' Actuarial Committee.

Existing law limits the authority of certain statewide system boards to grant a COLA based on the funding level and date of the 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 Clerks board to grant a COLA in any fiscal year in which the system is at least 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.

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

(1) The total of 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, applicable to certain statewide systems including Clerks, provides for a FDA for 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 the purposes for which the money in the FDA may be used as follows:

(1) To reduce the frozen unfunded accrued liability.

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

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

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

Existing law provides that if there are not sufficient funds to fund a COLA 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 allows the Clerks board to grant a COLA of a dollar amount based on the years of service and the years since the benefit payments began.

New law allows the board to use more than $1 as the multiplier and to have different multipliers.

New law limits the selection of multiples used in the calculation by prohibiting the total actuarial present value of an increase 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 Clerks, authorizes the board of trustees to use excess investment income to provide a supplemental COLA 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.

Prior law provided that the supplemental COLA was equal to 2% of the original benefit.

New law authorizes the Clerks board to grant a COLA of up to 2% of the current benefit to recipients who are 65 years of age or over funded by money 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 failed 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 could not be granted until a lapse of at least one-half of the fiscal year and the funded ratio of the previous fiscal year exceeded the target ratio defined in existing law.

New law removes the limitations of prior law for Clerks.

Effective upon signature of governor (May 22, 2026).

(Amends R.S. 11:1549; Adds R.S. 11:1550; Repeals R.S. 11:105(A)(2), 106(A)(2), 107(A)(2), 107.1(A)(2), 242(B)(2), 243(A)(2), and 246(A)(2))