


**2017 REGULAR SESSION
ACTUARIAL NOTE SB 8**

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| <p>Senate Bill 8 SLS 17RS-37 Enrolled</p> <p>Author: Senator Peacock Date: June 6, 2017 LLA Note SB 8.03</p> <p>Organizations Affected: All State and Statewide Retirement Systems</p> <p>EN SEE BELOW</p> | <p>This Note has been prepared by the Actuarial Services Department of the Legislative Auditor with assistance from either the Fiscal Notes staff of the Legislative Auditor or staff of the Legislative Fiscal Office. The attachment of this Note provides compliance with the requirements of R.S. 24:521 as modified by Act 353 of the 2016 Regular Session.</p> <p align="center">  Paul T. Richmond, ASA, MAAA, EA Manager Actuarial Services </p> |
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Bill Header: RETIREMENT SYSTEMS. Provides for correction of membership and enrollment errors in the state and statewide retirement systems. (6/30/17)

Cost Summary:

The estimated actuarial and fiscal impact of SB 8 on the retirement systems and their plan sponsors is summarized below. Actuarial costs or savings pertain to estimated changes in the *actuarial present value of future benefit payments*. Fiscal costs or savings pertain to changes to all cash flows over the next five year period including retirement system cash flows, OPEB cash flows, or cash flows related to other government entities.

An increase in actuarial costs is denoted throughout the actuarial note by “Increase” or a positive number. Actuarial savings are denoted by “Decrease” or a negative number. An increase in expenditures or revenues (fiscal impact) is denoted by “Increase” or a positive number. A decrease in expenditures or revenues is denoted by “decrease” or a negative number.

Estimated Actuarial Impact:

The top part of the following chart shows the estimated change in the *actuarial present value of future benefit payments and expenses*, if any, attributable to the proposed legislation. The bottom part shows the effect on cash flows.

| Actuarial Costs Pertaining to: | Actuarial Cost | |
|---|-----------------------|-----------------|
| The Retirement Systems | | See Below |
| Other Post-Employment Benefits (OPEB) | | 0 |
| Other Government Entities | | 0 |
| Total | | See Below |
| | Fiscal Costs | |
| Five Year Fiscal Cost Pertaining to: | Expenses | Revenues |
| The Retirement Systems | See Below | See Below |
| Other Post-Employment Benefits | 0 | 0 |
| Other Government Entities | 0 | 0 |
| Total | See Below | See Below |

This bill complies with the Louisiana Constitution which requires unfunded liabilities created by an improvement in retirement benefits to be amortized over a period not to exceed ten years.

Bill Information

Current Law

Except for the following circumstances, statutes governing the Louisiana retirement systems do not include any formal and/or detailed provisions to follow when a person is incorrectly enrolled in the wrong system. The exceptions are:

1. Detailed instructions are provided by statute for correcting the membership of a person who should have been enrolled in TRSL but was incorrectly enrolled in another Louisiana public retirement system.
2. Detailed instructions are provided by statute for correcting the membership of a person who should have been enrolled in LSERS but was incorrectly enrolled in another Louisiana public retirement system.

A person who is enrolled in the wrong system may be accruing benefits which are more or less than he should be accruing if he were in the correct system, and both the member and his employer may be contributing more or less than they would to the correct system.

In addition the Municipal Police Employees’ Retirement System (MPERS) has a provision for members who (i) have at least ten years of creditable service in this system, and (ii) are or were members of the police department for the city of Lafayette, and (iii) become employed in other public employment thereby making them ineligible to continue membership in this system. Such members may continue membership in MPERS in lieu of membership in the other public system and may transfer credit from such other system into MPERS.

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Proposed Law

The proposed law will create several provisions to correct enrollment errors in the state and statewide retirement systems. The new provisions associated with SB 8 are summarized below.

1. Any employee enrolled in the wrong system shall be transferred to the correct system.
2. Within 30 days, the incorrect system shall notify the employee and initiate a transfer to the correct system.
3. If the employee has previously received a refund, he will have the opportunity to repay the refund and have his service credit restored and transferred to the correct system.
4. If the transfer is made within three years of the enrollment error, the amounts transferred from the incorrect system to the correct system will be the employer and employee contributions which should have been made to the correct system, plus interest.
5. If the transfer is made more than three years after the enrollment error, the amounts transferred from the incorrect system to the correct system will be the greater of (i) the employer and employee contributions that should have been made plus interest, and (ii) the actuarial cost for the service credit transferred.
6. Any overpayments of employee contributions will be refunded by the incorrect system to the employee, and any overpayments of employer contributions will be refunded by the incorrect system to the employer.
7. Any underpayments of employee and employer contributions will be paid for by the employer.

In addition the special provision in MPERS covering members who were formerly with the police department for the city of Lafayette has been eliminated.

Implications of the Proposed Changes

SB 8 provides a clear procedure for correcting enrollment errors relating to the state and statewide retirement systems. Employees will be made whole relative to the provisions of the system in which they should have been enrolled when they were first employed.

The correction procedure under SB 8 is designed to encourage prompt discovery and correction of errors by employers and to minimize the extent to which the incorrect system and the correct system are affected financially. The earlier that a membership error is corrected, the less effect the correction will have on the correct system and on the employer.

MPERS members who were formerly with the police department for the city of Lafayette will be subject to the same membership provisions as other MPERS members.

I. ACTUARIAL ANALYSIS SECTION

A. Analysis of Actuarial Costs (Prepared by the LLA)

Section I, subsection A of this actuarial note for SB 8 pertains to the actuarial present value or savings associated with the retirement systems and their sponsors; with OPEB and its sponsors; and with other government entities not associated with the retirement systems, OPEB, or the sponsors of these programs.

1. Retirement Systems and their Sponsors

This segment of the actuarial note applies to the actuarial present value cost or savings associated with the retirement systems and their sponsors. Fiscal cost/savings are also discussed in this segment of the actuarial note. Because it is immaterial to the analysis of costs and savings, this analysis is based on the assumption that all 13 state and statewide retirement systems belong to a single Louisiana retirement structure. The costs and savings reported here represent the costs or savings to the 13 retirement systems in the aggregate. From an actuarial perspective, there are no costs or savings for any individual retirement system.

The actuarial present value cost or savings associated with all 13 systems within the program structure is based on the present value of the stream of expenditures minus the present value of the stream of revenues. If this value is positive, then there is an actuarial present value cost. If the value is negative, then actuarial present value savings occur. The following provisions of SB 8 must be examined in order to determine whether the bill as a whole has an actuarial cost or has actuarial savings.

a. The Repayment of Prior Refunds

1). Actuarial Costs/Savings

If an employee had been improperly assigned to an incorrect system when he was first employed, he may have elected a refund of his own contributions upon termination of employment and, as a result, may have forfeited any service accumulated before that date. If he had been assigned to the correct system, he may have elected to retain his employee contributions and his service credits in the correct system.

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SB 8 gives such a member the opportunity to repay the incorrect system the refund he had received. From the perspective of the Louisiana retirement program, repayment of a prior refund is actuarially neutral. The repayment amount, calculated on the membership correction date, is actuarially equivalent to the value of the service credits that will be restored to the member by the incorrect system.

2). Fiscal Costs/Savings

The actuarial present value of all future fiscal expenditures is equal to the actuarial present value of all future fiscal revenues. However, if we only consider the first five year period, expenditures will differ from revenues. Expenditures will differ from revenues in each of the five years. Total expenditures for the five years will differ from total revenues for the same period. And, the actuarial present value of five years of expenditures will differ from the actuarial present value of five years of revenues. Therefore, it is appropriate to conclude that fiscal cost/savings are not neutral when measured over a five year period.

The conclusions drawn above may appear to be untrue when considering a single membership error. However, if we apply the mathematical theory of large numbers, the conclusions are confirmed. Cost/savings values will be volatile from year to year because it is anticipated that there will be few membership errors each year. However, over a long period of time the cumulative disparity between expenditures and revenues will become smaller and perhaps will change from a positive value to a negative amount, and then perhaps may even experience a change in value several more times thereafter.

More information about fiscal costs/savings is given in Section II, Subsection A.

b. Correction of Membership Errors

1). Actuarial Costs/Savings

SB 8 pertains to any member who was improperly assigned to a retirement system. The bill provides for the transfer of membership from the incorrect system to the correct system and provides a process to administer such a transfer. This process occurs after repayments of prior refunds have been completed.

According to SB 8, surplus employee contributions exist if accumulated employee contributions under the incorrect system exceed accumulated employee contributions the employee would have had if he had instead been properly assigned to a retirement system when he was first employed.

- 1). If a surplus exists, then such a surplus will be refunded to the employee by the incorrect system.
- 2). If a shortfall exists, then the employer must make a one-time contribution to the incorrect system equal to the shortfall amount.

From the perspective of the Louisiana retirement systems, the process for correcting membership errors is actuarially neutral with one exception – the payment to the incorrect system of employee contribution shortfalls by the employer.

Once again, actuarial neutrality depends on the theory of large numbers. The cost of correcting membership errors will be volatile from year to year because the number of membership corrections from year to year is expected to be small. However over a long period of time the cumulative disparity between expenditures and revenues will become smaller and less volatile.

2). Fiscal Costs/Savings

With the exception of a surplus or shortfall of employee contributions, the conclusions drawn relative to the repayment of prior refunds can be made for the correction of membership errors. More information about fiscal costs/savings is given in Section II, Subsection A.

c. Administrative Costs

SB 8 requires the employer (e.g. municipality, parish government, assessor's office, district attorney office) to pay any fee or cost for the actuarial cost calculation for the service credit transfer. Based on information from the Municipal Employees' Retirement System and Louisiana Municipal Association, this cost could range from \$300-\$500 per case.

This is not a cost that will be recorded in the financial statements of a retirement system. But, rather, the employer will make a direct payment to the actuary making the calculations. If we assume that five errors are made each year across all Louisiana systems, the total annual expenditure will be \$2,500. If we assume that five errors will be made every year into the future, the actuarial present value cost to administer SB 8 is about \$35,000.

Please note that all cost and savings are anticipated to be very small. The number of errors to be corrected is probably about five a year. The actuarial and fiscal cost values are also expected to be small. Therefore, although we have been able to identify costs for certain transactions and cost neutrality for others, costs in the aggregate are small relative to the liabilities for all 13 retirement systems.

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2. Other Post-Employment Benefits (OPEB)

The actuarial cost of SB 8 associated with OPEB, including retiree health insurance premiums, will be \$0. Our analysis is summarized below.

The liability for post-retirement medical insurance protection provided to retirees by the Office of Group Benefits or other insurers is not affected by the provisions of SB 8. SB 8 only affects the retirement systems, its sponsors, and members. In reaching this conclusion, we have assumed that although an employee was improperly assigned to a retirement system, assignment to an OPEB program was correct.

3. Other Government Entities

The only governmental entities involved in the correction of a membership error are the incorrect retirement system, the correct retirement system and the employer of the improperly assigned employee. Because there are no other governmental entities involved, the actuarial cost or savings associated with *other governmental entities* under SB 8 will be \$0. More information is provided in Section II, Subsection C.

**B. Actuarial Data, Methods and Assumptions
(Prepared by the LLA)**

Unless indicated otherwise, the actuarial note for SB 8 was prepared using actuarial data, methods and assumptions as disclosed in the most recent actuarial valuation reports adopted by PRSAC. The data, methods and assumptions are being used to provide consistency with the actuary for the retirement system who may also be providing testimony to the Senate and House retirement committees.

**C. Actuarial Caveat
(Prepared by the LLA)**

There is nothing in SB 8 that will compromise the signing actuary’s ability to present an unbiased statement of actuarial opinion.

II. FISCAL ANALYSIS SECTION

This section of the actuarial note pertains to fiscal costs or savings associated with the retirement systems and their sponsors (Table A), with OPEB programs and their sponsors (Table B), and with other fiscal costs or savings attributable to other government entities not associated with either the retirement systems or OPEB (Section C1 was prepared by the LLA and Section C2 was prepared by the Legislative Fiscal Office). Fiscal costs or savings reflect all forms of cash flow including benefit costs or savings, administrative costs or savings, or any other identifiable type of fiscal cost or savings. The total effect of SB 8 on fiscal costs, fiscal savings, or cash flows is presented in Table D.

**A. Estimated Fiscal Impact – State and Statewide Retirement Systems and their Sponsors
(Prepared by the LLA)**

1. Narrative

Table A shows the estimated fiscal impact of the proposed legislation on all state and statewide retirement systems and the government entities that sponsor them. A fiscal cost is denoted by “Increase” or a positive number. Fiscal savings are denoted by “Decrease” or a negative number. A revenue increase is denoted by “Increase” or a positive number. A revenue decrease is denoted by “Decrease” or a negative number.

The impact on fiscal information in Table A includes administrative costs or savings associated with the retirement systems and the sponsoring government entities.

Fiscal Costs for the State and Statewide Retirement Systems and their Sponsors: Table A

| EXPENDITURES | 2017-18 | 2018-19 | 2019-2020 | 2020-2021 | 2021-2022 | 5 Year Total |
|---------------------|----------------|----------------|------------------|------------------|------------------|---------------------|
| State General Fund | See Narrative | See Narrative | See Narrative | See Narrative | See Narrative | See Narrative |
| Agy Self Generated | See Narrative | See Narrative | See Narrative | See Narrative | See Narrative | See Narrative |
| Stat Deds/Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Funds | See Narrative | See Narrative | See Narrative | See Narrative | See Narrative | See Narrative |
| Annual Total | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

| REVENUES | 2017-18 | 2018-19 | 2019-2020 | 2020-2021 | 2021-2022 | 5 Year Total |
|--------------------|----------------|----------------|------------------|------------------|------------------|---------------------|
| State General Fund | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Agy Self Generated | See Narrative | See Narrative | See Narrative | See Narrative | See Narrative | See Narrative |
| Stat Deds/Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Annual Total | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

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Net expenditures from the General Fund pertain to expenditures from LASERS, higher education employers participating in TRSL, and employers of state policemen participating in LSPRS. Net expenditures from Local Funds pertain to K-12 employers participating in TRSL, employers participating in LSERS, and employers participating in the statewide retirement systems. Additional information is provided in Section I, Subsection; Table A; and Items 2 and 3 below.

2. Expenditures

- a. Expenditures from the General Fund will occur each year to the extent that employers participating in LASERS, Higher Education TRSL, and LSPRS are required to pay for any shortfall of employee contributions due to the process for correcting membership errors made by these systems and sub plans.
- b. Expenditures from the General Fund will increase about \$500 a year for each membership correction assuming the administrative cost to make the necessary actuarial calculation is about \$500.
- c. Expenditures from Local Funds will occur each year to the extent that employers participating in TRSL K-12, LSERS, and the statewide retirement systems are required to pay for any shortfall of employee contributions due to the process for correcting membership errors made by these systems and sub plans.
- d. Expenditures from Local Funds will increase about \$500 a year for each membership correction assuming the administrative cost to make the necessary actuarial calculation is about \$500.
- e. Expenditures for all 13 retirement systems (Agy Self-Generated) will increase to the extent that a member who repaid a prior refund retires during the five-year fiscal measurement period.

3. Revenues

- a. Revenues relative to all 13 retirement systems (Agy Self-Generated) will increase to the extent that employers are required to pay for any employer contribution shortfall amounts.
- b. Revenues relative to the 13 retirement systems (Agy Self-Generated) will increase to the extent that employees who receive a prior refund elect to repay that refund.

**B. Estimated Fiscal Impact – OPEB
(Prepared by the LLA)**

1. Narrative

Table B shows the estimated fiscal impact of SB 8 on costs associated with OPEB and the government entities that sponsor these benefits. Fiscal costs in Table B include administrative costs associated with the government entity sponsoring an OPEB program. A fiscal cost is denoted by “Increase” or a positive number. Fiscal savings are denoted by “Decrease” or a negative number. A revenue increase is denoted by “Increase” or a positive number. A revenue decrease is denoted by “Decrease” or a negative number.

SB 8 will not have any effect on fiscal costs associated with OPEB. The rules for being assigned to an OPEB plan are independent from retirement system membership rules. Just because a person has been improperly assigned to a retirement system does not necessarily mean that he has also been improperly assigned to the wrong OPEB program. Therefore, we estimate there will be no cost or revenues to the sponsors of OPEB benefits.

OPEB Fiscal Cost: Table B

| EXPENDITURES | 2017-18 | 2018-19 | 2019-2020 | 2020-2021 | 2021-2022 | 5 Year Total |
|---------------------|----------------|----------------|------------------|------------------|------------------|---------------------|
| State General Fund | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Agy Self Generated | 0 | 0 | 0 | 0 | 0 | 0 |
| Stat Deds/Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Annual Total | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

| REVENUES | 2017-18 | 2018-19 | 2019-2020 | 2020-2021 | 2021-2022 | 5 Year Total |
|--------------------|----------------|----------------|------------------|------------------|------------------|---------------------|
| State General Fund | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Agy Self Generated | 0 | 0 | 0 | 0 | 0 | 0 |
| Stat Deds/Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Annual Total | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

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C1. Estimated Fiscal Impact – Government Entities other than the Retirement Systems, OPEB Programs or Sponsors
(Prepared by the LLA)

1. Narrative

- a. There are no fiscal expenditures or fiscal revenues associated with governmental entities other than the retirement systems and their sponsors. The only entities affected by SB 8 are the retirement systems and their sponsors.
- b. See Section I, Subsections A1 and A3 and Section II, subsection A for additional information.

Fiscal Costs for Other Government Entities: Table C1

| EXPENDITURES | 2017-18 | 2018-19 | 2019-2020 | 2020-2021 | 2021-2022 | 5 Year Total |
|---------------------|----------------|----------------|------------------|------------------|------------------|---------------------|
| State General Fund | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Agy Self Generated | 0 | 0 | 0 | 0 | 0 | 0 |
| Stat Deds/Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Annual Total | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

| REVENUES | 2017-18 | 2018-19 | 2019-2020 | 2020-2021 | 2021-2022 | 5 Year Total |
|--------------------|----------------|----------------|------------------|------------------|------------------|---------------------|
| State General Fund | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Agy Self Generated | 0 | 0 | 0 | 0 | 0 | 0 |
| Stat Deds/Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Annual Total | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

C2. Estimated Fiscal Impact; Other Government Entities (unrelated to the retirement systems or OPEB)
(Prepared by Tanesha Morgan, Legislative Fiscal Office)

1. Narrative

Proposed law provides that any person who was enrolled in the wrong system by error but who should have been in one of the systems covered by proposed law shall be transferred to the system for which his employment make him eligible.

Fiscal Costs for Other Government Entities: Table C2

| EXPENDITURES | 2017-18 | 2018-19 | 2019-2020 | 2020-2021 | 2021-2022 | 5 Year Total |
|---------------------|----------------|----------------|------------------|------------------|------------------|---------------------|
| State General Fund | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW |
| Agy Self Generated | 0 | 0 | 0 | 0 | 0 | 0 |
| Stat Deds/Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Annual Total | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

| REVENUES | 2017-18 | 2018-19 | 2019-2020 | 2020-2021 | 2021-2022 | 5 Year Total |
|--------------------|----------------|----------------|------------------|------------------|------------------|---------------------|
| State General Fund | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Agy Self Generated | 0 | 0 | 0 | 0 | 0 | 0 |
| Stat Deds/Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Annual Total | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

2. Expenditures:

The proposed legislation addresses membership and enrollment errors in the state and statewide retirement systems. To the extent that there was an overpayment of contributions to a system, the employee receives a refund for the overpayment and the appropriate system credits the agency's account in the amount of the overpayment. To the extent that there was an underpayment of contributions to a system, this cost would be paid by the agency to the appropriate retirement system.

3. Revenues:

There is no anticipated direct material effect on government revenues as a result of this measure

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**D. Estimated Fiscal Impact – All Retirement Systems, OPEB, and All Government Entities
(Prepared by the LLA)**

1. Narrative

Table D shows the estimated fiscal impact of SB 8 on all government entities within the state of Louisiana. Cell values in Table D are the sum of the respective cell values in Table A, Table B, and Table C1. A fiscal cost is denoted by “Increase” or a positive number. Fiscal savings are denoted by “Decrease” or a negative number. A revenue increase is denoted by “Increase” or a positive number. A revenue decrease is denoted by “Decrease” or a negative number.

Total Fiscal Cost or Savings: Table D (Cumulative Costs from Tables A, B, & C1)

| EXPENDITURES | 2017-18 | 2018-19 | 2019-2020 | 2020-2021 | 2021-2022 | 5 Year Total |
|---------------------|----------------|----------------|------------------|------------------|------------------|---------------------|
| State General Fund | See Table A | See Table A | See Table A | See Table A | See Table A | See Table A |
| Agy Self Generated | See Table A | See Table A | See Table A | See Table A | See Table A | See Table A |
| Stat Deds/Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Funds | See Table A | See Table A | See Table A | See Table A | See Table A | See Table A |
| Annual Total | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

| REVENUES | 2017-18 | 2018-19 | 2019-2020 | 2020-2021 | 2021-2022 | 5 Year Total |
|--------------------|----------------|----------------|------------------|------------------|------------------|---------------------|
| State General Fund | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Agy Self Generated | See Table A | See Table A | See Table A | See Table A | See Table A | See Table A |
| Stat Deds/Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Annual Total | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

Credentials of the Signatory Staff:

Paul T. Richmond is the Manager of Actuarial Services for the Louisiana Legislative Auditor. He is an Enrolled Actuary, a member of the American Academy of Actuaries, a member of the Society of Actuaries and has met the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinion contained herein.

John D. Carpenter, Legislative Fiscal Officer, supervised the preparation of the fiscal analyses contained in Section II; Subsection C relative to the state retirement systems.

Mike Battle, Audit Manager for the LLA, supervised the preparation of the fiscal analysis contained in Section II; Subsection C relative to the statewide retirement systems.

Information Pertaining to Article (10)(29(F) of the Louisiana Constitution

SB 8 contains a retirement system benefit provision having an actuarial cost.

Some members will be entitled to a larger benefit as a result of SB 8 than what they would have been entitled without SB 8.

Dual Referral Relative to Total Fiscal Costs or Total Cash Flows:

The information presented below is based on information contained in Table D for the first three years following the 2017 regular session.

Senate

House

13.5.1 Applies to Senate or House Instruments.
If an annual fiscal cost \geq \$100,000, then bill is dual referred to:
Dual Referral: Senate Finance

6.8F Applies to Senate or House Instruments.
If an annual General Fund fiscal cost \geq \$100,000, then the bill is dual referred to:
Dual Referral to Appropriations

13.5.2 Applies to Senate or House Instruments.
If an annual tax or fee change \geq \$500,000, then the bill is dual referred to:
Dual Referral: Revenue and Fiscal Affairs

6.8G Applies to Senate Instruments only.
If a net fee decrease occurs or if an increase in annual fees and taxes \geq \$500,000, then the bill is dual referred to:
Dual Referral: Ways and Means