SLS 18RS-43 **ENGROSSED** 

2018 Regular Session

SENATE BILL NO. 9

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BY SENATOR PEACOCK

STATE POLICE RET FUND. Provides for determination of credits to be made to the experience account. (2/3 - CA10s29(F)) (6/30/18)

AN ACT

| 2  | To amend and reenact R.S. 11:1332(A)(1)(c), relative to the experience account of the State |
|----|---|
| 3  | Police Retirement System; to provide for credits to the experience account; to              |
| 4  | provide for accumulation of credits to fund supplemental permanent benefit                  |
| 5  | increases; to provide for an effective date; and to provide for related matters.            |
| 6  | Notice of intention to introduce this Act has been published.                               |
| 7  | Be it enacted by the Legislature of Louisiana:  |
| 8  | Section 1. R.S. 11:1332(A)(1)(c) is hereby amended and reenacted to read as                 |
| 9  | follows:  |
| 10 | §1332. Experience account   |
| 11 | A.(1) The experience account shall be credited as follows:                                  |
| 12 | * * *   |
| 13 | (c) In no event shall a credit be made to the account that would cause the                  |
| 14 | balance in the experience account to exceed the reserve necessary to grant:                 |
| 15 | (i) Two permanent benefit increases as determined pursuant to Subsection C                  |
| 16 | of this Section if the system is at least eighty percent funded.                            |
| 17 | (ii) One permanent benefit increase as determined pursuant to Subsection C                  |

of this Section if the system is less than eighty percent funded.

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Section 2. The cost of this Act, if any, shall be funded through additional employer contributions in compliance with Article X, Section 29(F) of the Constitution of Louisiana.

Section 3. This Act shall become effective on June 30, 2018; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on June 30, 2018, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Laura Gail Sullivan.

## DIGEST 2018 Regular Session

Peacock

SB 9 Engrossed

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<u>Present law</u> provides for accumulation of money in the experience account of the State Police Retirement System (Troopers) for funding permanent retirement benefit increases, commonly referred to as cost-of-living adjustments or COLAs. Caps the amount of money that may be allocated to the experience account at the reserve necessary to grant:

- (1) Two permanent benefit increases if the system is at least 80% funded.
- (2) One permanent benefit increase if the system is less than 80% funded.

<u>Present law</u> provides that the cap on the experience account balance is determined pursuant to the qualifications in present law.

When a benefit increase is granted to all eligible retirees and nonretiree beneficiaries, <u>present</u> <u>law</u> allows a supplemental benefit increase to be granted to retirees and beneficiaries who are at least age 65 and who retired on or before June 30, 2001.

<u>Proposed law</u> retains <u>present law</u> and clarifies that the cap on the Troopers' experience account balance includes the reserve necessary to grant the supplemental increases provided for in <u>present law</u>.

<u>Proposed law</u>, in compliance with <u>present state constitution</u>, provides that any cost of <u>proposed law</u> shall be funded with additional employer contributions.

Effective June 30, 2018.

(Amends R.S. 11:1332(A)(1)(c))