

SENATE BILL NO. 17

BY SENATOR TALBOT

1 AN ACT

2 To amend and reenact R.S. 11:2073, to enact R.S. 11:2145, and to repeal R.S. 11:105(A)(6),
3 106(A)(4), 107(A)(5), 107.1(A)(5), 242(B)(6), 243(A)(6), and 246(A)(6), relative
4 to the Registrars of Voters Employees' Retirement System; to provide relative to
5 cost-of-living increases; to provide for calculation of the amount of any increase; to
6 provide for an effective date; and to provide for related matters.

7 Notice of intention to introduce this Act has been published.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 11:2073 is hereby amended and reenacted and R.S. 11:2145 is hereby
10 enacted to read as follows:

11 §2073. Cost-of-living increase

12 A. The board of trustees is authorized to use ~~interest earnings on investments~~
13 ~~of the system in excess of normal requirements, as determined by the actuary, funds~~
14 ~~in the funding deposit account~~ to provide ~~an annual cost of living adjustment a~~
15 ~~cost-of-living increase~~ payable monthly for members retired at least two years, in
16 ~~an amount not to exceed three percent of the original benefit~~ to retirees,
17 beneficiaries, and survivors, if benefits have been paid on the member's or
18 retiree's record for at least two years, subject to the limitations in this Section.

19 Such benefits shall be paid only when funds are available from this source, and
20 payments shall be made in such manner and in such amount as is determined by the
21 board of trustees, based on the funds available, and the board of trustees shall be
22 authorized to set a maximum amount of such benefits. Any cost-of-living
23 increase granted in accordance with this Section shall begin on July first
24 following board approval.

25 B.(1) The board may grant a cost-of-living increase in any year in which
26 the system is more than one hundred percent funded.

27 (2) If the system is not more than one hundred percent funded, the board

1 may grant a cost-of-living increase if:

2 (a) The system is at least ninety percent funded and the board did not
3 grant an increase in the last fiscal year.

4 (b) The system is at least eighty percent funded and the board did not
5 grant an increase in the last two fiscal years.

6 (c) The system is at least seventy percent funded and the board did not
7 grant an increase in the last three fiscal years.

8 (3)(a) As used in this Section, the funded ratio as of any fiscal year end
9 shall be defined as the ratio of the actuarial value of assets to the level
10 percentage of payroll entry age normal actuarial accrued liability.

11 (b) For purposes of determining the system's funded ratio pursuant to
12 this Subsection, the actuarial value of assets shall be reduced by the actuarial
13 present value of the cost-of-living increase.

14 C.(1) The board may grant a cost-of-living increase of up to three
15 percent of the current benefit to all eligible retirees, beneficiaries, and survivors.

16 (2) In lieu of the form provided in Paragraph (1) of this Subsection, the
17 board may grant a cost-of-living increase that is a monthly increase of the
18 benefit of each eligible recipient in a dollar amount that is a multiple or a
19 fraction of the number of years of credited service accrued at retirement of the
20 retiree or at death of the member plus a multiple or a fraction of the number of
21 years since retirement of the retiree or since death of the member to the
22 system's fiscal year end preceding the payment of the benefit increase. The
23 selection of the multiples to be used in this calculation shall not cause the total
24 actuarial present value of this increase to exceed the actuarial present value of
25 an increase granted under Paragraph (1) of this Subsection.

26 D. The board may grant a cost-of-living increase of up to two percent of
27 the current benefit to all eligible retirees, beneficiaries, and survivors who are
28 sixty-five years of age or over. This may be in addition to any other increase the
29 board may grant.

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1 **§2145. Employer contributions; funding deposit account**

2 **A. Notwithstanding any provision of law to the contrary, in any fiscal**
3 **year the board of trustees is authorized to:**

4 **(1) Require an employer contribution rate equal to the previous year's**
5 **employer contribution rate or a rate lower than the previous year's employer**
6 **contribution rate provided that the lower rate is not less than the employer**
7 **contribution rate calculated in accordance with the provisions of R.S. 11:103.**

8 **(2) Require an employer contribution rate of up to three percentage**
9 **points more than the rate determined under R.S. 11:103.**

10 **B. The funding deposit account established by Act No. 296 of the 2009**
11 **Regular Session of the Legislature is continued. All surplus funds collected by**
12 **the system in any year in which the board exercised the authority in Subsection**
13 **A of this Section shall be credited to the system's funding deposit account.**

14 **C. The funds in the account shall earn interest annually at the**
15 **board-approved actuarial valuation interest rate, and such interest shall be**
16 **credited to the account once a year.**

17 **D.(1) Notwithstanding any provision of law to the contrary, the board of**
18 **trustees may in any fiscal year direct that funds from the account be charged**
19 **for only the following purposes:**

20 **(a) To reduce the present value of future normal costs.**

21 **(b) To pay all or a portion of any future net direct employer**
22 **contributions.**

23 **(c) To provide for cost-of-living increases in accordance with applicable**
24 **law.**

25 **(2) In no event shall the funds charged from the account exceed the**
26 **outstanding account balance.**

27 **(3) If the board of trustees elects to charge funds from the funding**
28 **deposit account pursuant to Subparagraph (1)(b) of this Subsection, the percent**
29 **reduction in the minimum recommended employer contribution rate otherwise**
30 **applicable shall be determined by dividing the interest-adjusted value of the**

1 charges from the funding deposit account by the projected payroll for the fiscal
2 year for which the contribution rate is to be reduced.

3 (4) The balance in the funding deposit account shall be excluded from the
4 assets used in the calculation of the employer contribution rate in accordance
5 with the provisions of R.S. 11:103.

6 (5) For all purposes other than funding, the balance in the account shall
7 be considered assets of the system.

8 Section 2. R.S. 11:105(A)(6), 106(A)(4), 107(A)(5), 107.1(A)(5), 242(B)(6),
9 243(A)(6), and 246(A)(6) are hereby repealed.

10 Section 3. This Act shall become effective upon signature by the governor or, if not
11 signed by the governor, upon expiration of the time for bills to become law without signature
12 by the governor, as provided in Article III, Section 18 of the Constitution of Louisiana. If
13 vetoed by the governor and subsequently approved by the legislature, this Act shall become
14 effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____