


**2013 REGULAR SESSION  
ACTUARIAL NOTE HCR 108**

<p><b>House Concurrent Resolution 108 HLS 13RS-791 Engrossed with House Retirement Committee Amendment #3145</b></p> <p><b>Author: Representative Julie Stokes Date: May 16, 2013</b></p> <p><b>LLA Note HCR 108.02</b></p> <p><b>Organizations Affected: State and Statewide Retirement Systems</b></p> <p><b>EG NO IMPACT APV</b></p>	<p>This Note has been prepared by the Actuarial Services Department of the Office of the Legislative Auditor. The attachment of this Note to HCR 108 provides compliance with the requirements of R.S. 24:521.</p> <div style="text-align: center; margin-top: 20px;">   <b>Paul T. Richmond, ASA, MAAA, EA</b>  <b>Manager Actuarial Services</b> </div>
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**Bill Header:** RETIREMENT/STATE-STWIDE: Requests the state and statewide public retirement systems to appear before the House and Senate committees on retirement and report relative to the promulgation and distribution of forms regarding pension forfeiture.

**Cost Summary:**

The estimated actuarial and fiscal impact of the proposed legislation is summarized below. Actuarial costs pertain to changes in the *actuarial present value of future benefit payments*. A cost is denoted by “Increase” or a positive number. Savings are denoted by “Decrease” or a negative number.

Actuarial Cost/(Savings) to Retirement Systems and OGB	\$0
Total Five Year Fiscal Cost	
Expenditures	\$0
Revenues	\$0

**Estimated Actuarial Impact:**

The chart below shows the estimated change in the *actuarial present value of future benefit payments*, if any, attributable to the proposed legislation. A cost is denoted by “Increase” or a positive number. Savings are denoted by “Decrease” or a negative number. Present value costs associated with administration or other fiscal concerns are not included in these values.

<b>Actuarial Cost to:</b>	<b><u>Change in the Actuarial Present Value</u></b>
All Louisiana Public Retirement Systems	\$0
Other Post Retirement Benefits	\$0
Total	\$0

**Estimated Fiscal Impact:**

The chart below shows the estimated fiscal impact of the proposed legislation. This represents the effect on cash flows for government entities including the retirement systems and the Office of Group Benefits. Fiscal costs include estimated administrative costs and costs associated with other fiscal concerns. A fiscal cost is denoted by “Increase” or a positive number. Fiscal savings are denoted by “Decrease” or a negative number.

<b>EXPENDITURES</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-2018</b>	<b>5 Year Total</b>
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

<b>REVENUES</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-2018</b>	<b>5 Year Total</b>
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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**Bill Information:**

**Current Law**

Established by Act 479 of the 2012 legislative session, current law provides for the forfeiture of retirement benefits by public employees convicted of certain felonies.

It further requires the public retirement systems to create and distribute attestation forms explaining the forfeiture law to each employing agency in the system.

**Proposed Resolution**

HCR 108 requests each state and statewide retirement system, plan, or fund to report to the House Committee on Retirement and the Senate Committee on Retirement by July 1, 2013, on the status of efforts regarding creation and distribution of attestation forms pursuant to the provisions of Act 479 of the 2012 legislative session.

HCR 108 further requests each state and statewide retirement system, plan, or fund to appear before the House and Senate committees on retirement, when requested by the chairmen thereof, to update the committees on the status and progress of implementing the provisions of the Act.

**Implications of the Proposed Changes**

HCR 108 requests the state and statewide retirement systems to appear before the House and Senate committees on retirement and report relative to the promulgation and distribution of forms regarding pension forfeiture.

**Cost Analysis:**

**Analysis of Actuarial Costs**

**Retirement Systems**

There are no actuarial costs associated with HCR 108.

**Other Post Retirement Benefits**

There are no actuarial costs associated with HCR 108 for post-employment benefits other than pensions.

**Analysis of Fiscal Costs**

HCR 108 will have no effect on fiscal costs during the five year measurement period.

**Actuarial Credentials:**

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.

**Dual Referral:**

**Senate**

13.5.1  $\geq$  \$100,000 Annual Fiscal Cost

13.5.2  $\geq$  \$500,000 Annual Tax or Fee Change

**House**

6.8(F)  $\geq$  \$500,000 Annual Fiscal Cost

6.8(G)  $\geq$  \$500,000 Annual Tax or Fee Change