



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: SB 33 SLS 14RS 184
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: February 27, 2014 9:02 AM
Author: MORRISH
Dept./Agy.: Acadia Parish Sheriff's Office
Subject: Insurance Premiums for Retired Sheriffs
Analyst: Kevin Starns

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Provides with respect to the payment of insurance premiums for retired sheriffs and deputy sheriffs of the Acadia Parish Sheriff's Office. (7/1/14)

Purpose of Bill: This measure changes insurance premium percentages for retiree insurance paid by the Acadia Parish Sheriff's Office for any sheriff or deputy sheriff retired on or after July 1, 2014. The retiree insurance coverage includes group hospital, surgical, and medical expense insurance, and the first \$10,000 of life insurance. The percentage of premium costs paid by the sheriff's office will be based on years of service as follows: (1) 50% with at least 20 years of continuous service with the Acadia Parish Sheriff's Office and who are at least 55 years of age and (2) 100% with at least 30 years of creditable service with 20 of those years as continuous service with the Acadia Parish Sheriff's Office, regardless of age.

Currently, R.S. 13:5554(G)(1) provides for payment by the sheriff's general fund of 100% of premiums for retiree insurance coverage if the sheriff or deputy sheriff retires after 15 years of service at age 55 or after 30 years of service at any age.

Table with 7 columns: EXPENDITURES, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

This measure may have little to no impact on local governmental expenditures over the next five fiscal years.

An official with the Acadia Parish Sheriff's Office indicated that over time, this bill may result in a decrease of health insurance expenditures, but will have little to no effect in the next five years. The official stated that the impact will depend on retirement decisions made by individual employees, but may decrease local government expenditures in later years should deputies choose to retire with 20 years of service at 55.

Currently there are 24 deputies that would be eligible to retire within the next five years under present law (15 years of service and 55 years old) with 100% of benefits being paid. None of those deputies are likely to be affected by this measure within the next five years because the deputy is: (1) currently eligible to retire under present law, (2) will not be eligible to retire under this measure with 20 years of service and 55 years of age within the next five years, or (3) will not likely retire until obtaining 30 years of service with full benefits being paid.

Based on information provided by the official, the estimated cost savings for one employee eligible to retire at the end of 2016 with 50% of insurance premiums paid by the sheriff's office would be approximately \$4,883 in FY 2017, \$5,127 in FY 2018, and \$5,383 in FY 2019. However, there are no deputies expected to retire within the next five years.

REVENUE EXPLANATION

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

- Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} 6.8(F) >= \$100,000 SGF Cost {H & S}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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