
DIGEST

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HB 42 Reengrossed

2015 Regular Session

Jones

Abstract: Authorizes payment of permanent benefit increases, up to a maximum of 1.5%, for certain retirees and beneficiaries of the four state retirement systems—La. State Employees' Retirement System (LASERS), Teachers' Retirement system of La. (TRSL), La. School Employees' Retirement System (LSERS), and State Police Retirement System (STPOL).

Present law, relative to the four state retirement systems, establishes an "experience account" within each system for the accumulation of certain system funds. Provides for utilization of these funds for benefit increases, commonly called "cost-of-living adjustments" (COLAs), for retirees, survivors, and beneficiaries of the system. Provides that the following classes of retirees and beneficiaries are eligible for a COLA paid pursuant to present law:

- (1) Any retiree who has received a benefit for at least one year and who has attained at least age 60.
- (2) Any nonretiree beneficiary who has received a benefit for at least one year (aggregated with any time the deceased member may have received a benefit) if the deceased member would have attained age 60.
- (3) Any disability retiree or any beneficiary who receives benefits based on the death of a disability retiree if benefits have been received for at least one year.

Proposed law retains present law.

Present law provides that a COLA may only be granted every other year. During the 2014 R.S., the legislature authorized payment, payable July 1, 2014, of a COLA for retirees and beneficiaries of each of the four state retirement systems.

Proposed law provides a COLA, payable July 1, 2015, for the retirees and beneficiaries of each of the four state retirement systems. Uses the funds from the system experience accounts to fund such a payment.

Proposed law provides that retirees and beneficiaries who would qualify for a COLA under present law qualify for receipt of the COLA authorized by proposed law.

Proposed law provides that the amount of the COLA shall be an amount supported by the funds in the system's experience account, after all required credits and debits to the account under present law,

up to a maximum payment of 1.5% of the retiree or beneficiary's benefit amount.

Proposed law provides that the benefit increase shall only be paid on the first \$60,000 of a retiree or beneficiary's benefit.

Proposed law provides that any cost of this Act not funded by payments made from the system experience account shall be funded with additional employer contributions in compliance with Article X, Section 29(F) of the Constitution of Louisiana.

Proposed law provides that in the case of any conflict between the provisions of proposed law and the provisions of any other Act of the 2015 R.S., the provisions of proposed law shall supercede and control regardless of the order of passage.

Effective June 30, 2015.

(Adds R.S. 11:542.2, 883.4, 1145.3, and 1331.2)