

RÉSUMÉ DIGEST

ACT 93 (SB 2)

2016 Regular Session

Peacock

Prior law designated the following as state retirement systems:

- (1) La. State Employees' Retirement System (LASERS)
- (2) Teachers' Retirement System of La. (TRSL or Teachers)
- (3) La. School Employees' Retirement System (LSERS)
- (4) State Police Retirement System (SPRS or Troopers)

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

- (1) Any regular retiree who has received a benefit for at least one year and who has attained at least age 60.
- (2) Any beneficiary of a regular retiree if the retiree, beneficiary, or both combined have received a benefit for at least one year and 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 by the retiree, beneficiary, or both combined for at least one year.

New law retains prior law.

New law authorizes each state system board of trustees to grant a COLA, payable July 1, 2016, to the retirees and beneficiaries who would qualify for a COLA under prior law. Uses the funds from the experience account to fund the COLA.

Prior law provided the maximum amount of a COLA based on the consumer price index and the systems' funded ratio.

Without regard to the consumer price index, new 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 prior law.

New law provides that, in accordance with the funded ratio of each system, the maximum amount payable shall be 1.5% of the benefit subject to the increase for LASERS and Teachers' and shall be 2% of the benefit subject to the increase for LSERS and Troopers'.

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

New law authorizes the board of trustees of the State Police Retirement System to grant a supplemental cost-of-living adjustment in accordance with prior law to all retirees and beneficiaries who are at least 65 and who retired on or before June 30, 2001.

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

New law provides that if the instruments which originated as SB 5 and SB 18 of the 2016 RS do not become effective, new law shall be null and void and of no effect.

Effective June 30, 2016.

(Adds R.S. 11:542.2, 883.4, 1145.3, and 1332.1)

