SLS 18RS-43

ENGROSSED

2018 Regular Session

SENATE BILL NO. 9

BY SENATOR PEACOCK

STATE POLICE RET FUND. Provides for determination of credits to be made to the experience account. (2/3 - CA10s29(F)) (6/30/18)

| 1 | AN ACT | | |
|----|---|--|--|
| 2 | To amend and reenact R.S. 11:1332(A)(1)(c), relative to the experience account of the State | | |
| 3 | Police Retirement System; to provide for credits to the experience account; to | | |
| 4 | provide for accumulation of credits to fund supplemental permanent benefit | | |
| 5 | increases; to provide for an effective date; and to provide for related matters. | | |
| 6 | Notice of intention to introduce this Act has been published. | | |
| 7 | Be it enacted by the Legislature of Louisiana: | | |
| 8 | Section 1. R.S. 11:1332(A)(1)(c) is hereby amended and reenacted to read as | | |
| 9 | follows: | | |
| 10 | §1332. Experience account | | |
| 11 | A.(1) The experience account shall be credited as follows: | | |
| 12 | * * * | | |
| 13 | (c) In no event shall a credit be made to the account that would cause the | | |
| 14 | balance in the experience account to exceed the reserve necessary to grant: | | |
| 15 | (i) Two permanent benefit increases as determined pursuant to Subsection C | | |
| 16 | of this Section if the system is at least eighty percent funded. | | |
| 17 | (ii) One permanent benefit increase as determined pursuant to Subsection C | | |
| | | | |

Page 1 of 2

Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

| 1 | of this Section if the system is less than eighty percent funded. | | |
|---|--|--|--|
| 2 | * * * | | |
| 3 | Section 2. The cost of this Act, if any, shall be funded through additional employer | | |
| 4 | contributions in compliance with Article X, Section 29(F) of the Constitution of Louisiana. | | |
| 5 | Section 3. This Act shall become effective on June 30, 2018; if vetoed by the | | |
| 6 | governor and subsequently approved by the legislature, this Act shall become effective on | | |
| 7 | June 30, 2018, or on the day following such approval by the legislature, whichever is later. | | |

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Laura Gail Sullivan.

| | DIGEST | |
|----------------|----------------------|---------|
| SB 9 Engrossed | 2018 Regular Session | Peacock |

<u>Present law</u> provides for accumulation of money in the experience account of the State Police Retirement System (Troopers) for funding permanent retirement benefit increases, commonly referred to as cost-of-living adjustments or COLAs. Caps the amount of money that may be allocated to the experience account at the reserve necessary to grant:

(1) Two permanent benefit increases if the system is at least 80% funded.

(2) One permanent benefit increase if the system is less than 80% funded.

<u>Present law</u> provides that the cap on the experience account balance is determined pursuant to the qualifications in <u>present law</u>.

When a benefit increase is granted to all eligible retirees and nonretiree beneficiaries, <u>present</u> <u>law</u> allows a supplemental benefit increase to be granted to retirees and beneficiaries who are at least age 65 and who retired on or before June 30, 2001.

<u>Proposed law</u> retains <u>present law</u> and clarifies that the cap on the Troopers' experience account balance includes the reserve necessary to grant the supplemental increases provided for in <u>present law</u>.

<u>Proposed law</u>, in compliance with <u>present state constitution</u>, provides that any cost of <u>proposed law</u> shall be funded with additional employer contributions.

Effective June 30, 2018.

(Amends R.S. 11:1332(A)(1)(c))