

2018 Regular Session

HOUSE BILL NO. 38

BY REPRESENTATIVE HOLLIS

RETIREMENT/COLAS: Provides for the formula for distribution of benefit increases

1 AN ACT

2 To amend and reenact R.S. 11:241(B), relative to the formula for the distribution of benefit
3 increases to members of the state and statewide retirement systems; to provide that
4 the benefit calculation be based upon a system's fiscal year end; and to provide for
5 related matters.

6 Notice of intention to introduce this Act has been published
7 as provided by Article X, Section 29(C) of the Constitution
8 of Louisiana.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:241(B) is hereby amended and reenacted to read as follows:

11 §241. Purpose; formula for distribution

12 * * *

13 B. Any increase of benefits granted by the legislature or by a state or
14 statewide public retirement system shall be distributed in accordance with the
15 provisions of this Subsection, if the legislature or system does not otherwise specify
16 the terms for such distribution. Any such increase shall be a monthly increase in of
17 the benefit of each recipient ~~determined in accordance with the formula "X(A + B)",~~
18 ~~where "A" is equal to the~~ in the dollar amount equal to the total of the number of
19 years of credited service accrued at retirement or at death of the member or retiree;
20 ~~"B" is equal to~~ plus the number of years since retirement or since death of the

1 member or retiree to ~~June thirtieth of the initial year of such increase~~, and "X" is
2 ~~equal to one dollar~~ the system's fiscal year end preceding the payment of the benefit
3 increase. If there are not sufficient funds to fund "X" the benefit at the ~~level rate~~ of
4 one dollar per year for such total number of years, then "X" ~~shall be a variable value~~
5 ~~in accordance with~~ the rate shall be reduced in proportion to the amount of funds that
6 are available to fund the cost-of-living adjustment.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 38 Engrossed

2018 Regular Session

Hollis

Abstract: Changes the basis for calculating a benefit increase from June 30 of the initial year of such increase to the fiscal year end preceding the payment of the benefit increase.

Present law provides for the distribution of benefit increases granted by the legislature or by a state or statewide retirement system if the legislature or system does not otherwise specify the terms for such distribution. Present law requires that any such increase be a monthly increase of the benefit of each recipient in the dollar amount equal to the total of the number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to June 30 of the initial year of such increase.

The fiscal year for 11 of the 13 state and statewide retirement systems ends June 30. The fiscal year for the Assessor's Retirement Fund ends Sept. 30. The fiscal year for the Parochial Employees' Retirement System of La. ends Dec. 31. Proposed law changes the date used in the benefit increase calculation to the fiscal year end preceding the payment of the benefit increase, rather than June 30 of the initial year of such increase.

Proposed law makes additional technical corrections.

(Amends R.S. 11:241(B))