

SENATE RESOLUTION NO. 15

BY SENATOR PRICE

A RESOLUTION

To urge and request the state retirement systems to report to the legislature on alternative methods for providing permanent benefit increases to retirees.

WHEREAS, the constitution of Louisiana, the solemn expression of the will of the people of this state, charges the legislature with the duty of providing for the retirement of employees of the state and of the public educational system; and

WHEREAS, the legislature fulfilled this duty by establishing four state retirement systems: the Louisiana State Employees' Retirement System, the Teachers' Retirement System of Louisiana, the Louisiana School Employees' Retirement System, and the State Police Retirement System; and

WHEREAS, the benefits that members of these systems earn currently include no mechanism that preserves the purchasing power of these earned retirement benefits; and

WHEREAS, Louisiana has demonstrated its commitment to actuarially sound funding of these retirement systems and has taken meaningful steps to ensure the sustainability of the defined benefit plans that replace and do not supplement Social Security benefits; and

WHEREAS, in furtherance of this commitment, the legislature has acted to increase the allocation of system assets toward decreasing debt, increasing funding, transitioning the systems to more conservative assumptions, and reducing inter-generational cost shifting; and

WHEREAS, as a result, less money accumulates in the special accounts designed to fund permanent benefit increases for eligible retirees and other beneficiaries of the systems, lengthening the time between increases; and

WHEREAS, the last permanent benefit increase, funded from the special accounts, was effective July 1, 2016; and

WHEREAS, retired teachers' and state employees' benefits were increased by only 1.5% at that time and retired school employees and state troopers received a 2% increase; and

WHEREAS, recipients of Social Security benefits receive cost-of-living adjustments annually, based on the increase in the prices of goods; and

WHEREAS, beneficiaries of these four state retirement systems receive no such cost-of-living adjustments, resulting in the erosion of their purchasing power over time.

THEREFORE, BE IT RESOLVED that the Senate of the Legislature of Louisiana does hereby urge and request the four state retirement systems, working together as appropriate, to study alternative mechanisms for providing meaningful benefit increases on a regularly scheduled basis, designed to preserve the purchasing power of the recipients.

BE IT FURTHER RESOLVED that the Senate of Legislature of Louisiana urges and requests the state retirement systems to submit to the Senate no later than December 1, 2020, a single report of their findings.

BE IT FURTHER RESOLVED that a copy of this Resolution be sent to the executive director of each of the four state retirement systems.

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PRESIDENT OF THE SENATE