

SENATE BILL NO. 7

BY SENATORS PRICE, ROBERT MILLS, PEACOCK AND TALBOT AND REPRESENTATIVES ADAMS, BACALA, BOYD, JEFFERSON, LAFLEUR, LARVADAIN, NELSON AND TARVER

1 AN ACT

2 To provide a permanent benefit increase to retirees and beneficiaries of the Louisiana State
3 Police Retirement System; to authorize payments funded by the retirement system's
4 experience account; to provide for qualifications for receipt of such payments; to
5 provide relative to the amount of such payments; to provide for an effective date; and
6 to provide for related matters.

7 Notice of intention to introduce this Act has been published.

8 Be it enacted by the Legislature of Louisiana:

9 **Section 1. The legislature finds that the experience account of the**
10 **Louisiana State Police Retirement System was created for the purpose of**
11 **accumulating money sufficient to provide actuarial funding of permanent**
12 **post-retirement benefit increases for certain retirees and beneficiaries of the**
13 **system. The legislature further finds that the experience account is credited with**
14 **a portion of the system's investment gain in excess of certain thresholds and**
15 **with interest on funds in the account; provided, however, that the amount in the**
16 **experience account shall in no event exceed the reserve necessary to grant one**
17 **permanent benefit increase until the system is at least eighty percent funded.**

18 **Section 2.(A) The legislature finds that permanent benefit increases**
19 **funded by the experience account monies are payable to regular retirees who**
20 **have been retired for at least one year and who have attained the age of sixty**
21 **years; to disability retirees who have been retired at least one year regardless**
22 **of age; to beneficiaries of retirees who would have met the applicable criteria**
23 **to receive the increase if they had survived; and to nonretiree beneficiaries who**

1 have been receiving benefits for at least a year and whose benefits are derived
2 from service of deceased members who would have attained age sixty. The
3 legislature further finds that any increase payable in 2022 shall be calculated on
4 an amount not to exceed sixty-eight thousand three hundred twelve dollars of
5 a retirement benefit.

6 (B) Additionally, the legislature finds that supplemental permanent
7 benefit increases funded by the experience account monies are payable to
8 retirees who have attained the age of sixty-five years and who retired on or
9 before June 30, 2001. The legislature further finds that any increase payable in
10 2022 shall be calculated on an amount not to exceed sixty-eight thousand three
11 hundred twelve dollars of a retirement benefit.

12 Section 3. The legislature finds that, in accordance with the provisions
13 of R.S. 11:1332, the board of trustees of the Louisiana State Police Retirement
14 System is expected to send a resolution recommending to the president of the
15 Senate and the speaker of the House of Representatives that the legislature
16 grant a permanent benefit increase to the eligible retirees and beneficiaries of
17 the system in accordance with the provisions of R.S. 11:1332 and Article X,
18 Section 29(F) of the Constitution of Louisiana.

19 Section 4. The legislature finds that the resolution presented to the
20 presiding officers of the legislature is expected to contain a recitation of the
21 statutorily required conditions and specification of the satisfaction of each as
22 follows:

23 (A) For the plan year that ended June 30, 2021, the Louisiana State
24 Police Retirement System earned an actuarial rate of return of eleven and
25 thirty-eight one-hundredths percent, which exceeded the board-approved
26 actuarial valuation rate of seven percent, and was seventy-four and fifty-four
27 one-hundredths percent funded.

28 (B) For any year in which the system's rate of return is at least seven
29 percent, R.S. 11:1332(C) provides that if the system is at least sixty-five percent
30 funded but less than seventy-five percent funded and the legislature has not

1 granted a benefit increase in the preceding year, a permanent benefit increase
2 shall not exceed the lesser of two percent or the increase in the Consumer Price
3 Index, U.S. city average for all urban consumers, as prepared by the U.S.
4 Department of Labor, Bureau of Labor Statistics, for the twelve-month period
5 ending on the system's valuation date preceding the increase.

6 (C) The Consumer Price Index for All Urban Consumers, U.S. city
7 average for all items as prepared by the U.S. Department of Labor, Bureau of
8 Labor Statistics for the twelve-month period ending June 30, 2021, is five and
9 four-tenths percent, which is greater than two percent.

10 Section 5. The system actuary has determined that the actuarial liability
11 created by providing a permanent benefit increase of two percent and a
12 supplemental increase of two percent is approximately nine million four
13 hundred ninety-seven thousand dollars. The system actuary computed the
14 balance in the experience account to be over nine million four hundred
15 ninety-seven thousand dollars, an amount sufficient to fund the increases.

16 Section 6. The legislative auditor has confirmed that the legislative
17 auditor's actuary is in the process of determining whether he agrees with the
18 determinations of the system actuary.

19 Section 7.(A) Contingent upon satisfaction of all necessary conditions
20 contained in R.S. 11:1332(D), an amount not to exceed sixty-eight thousand
21 three hundred twelve dollars of the current benefit of each retiree and
22 beneficiary of the Louisiana State Police Retirement System who meets the
23 eligibility criteria contained in the statute and recited in this Act shall be
24 increased by two percent effective July 1, 2022.

25 (B) Contingent upon satisfaction of all necessary conditions contained in
26 R.S. 11:1332(F), an amount not to exceed sixty-eight thousand three hundred
27 twelve dollars of the current benefit of each retiree and beneficiary of the
28 Louisiana State Police Retirement System who meets the eligibility criteria for
29 a supplemental increase contained in the statute and recited in this Act shall be
30 increased by an additional two percent effective July 1, 2022.

1 Section 8. The cost of this Act shall be funded with monies from the system's
2 experience account. Any additional cost of this Act shall be funded with additional employer
3 contributions in compliance with Article X, Section 29(F) of the Louisiana Constitution.

4 Section 9. This Act shall become effective on June 30, 2022; if vetoed by the
5 governor and subsequently approved by the legislature, this Act shall become effective on
6 June 30, 2022, or on the day following such approval by the legislature, whichever is later.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____