



OFFICE OF LEGISLATIVE AUDITOR
2023 REGULAR SESSION
ACTUARIAL NOTE

Table with 2 columns: Bill Information (House Bill 44 HLS 23RS-120, Reengrossed, Author: Horton, LLA Note HB 44.01) and Date/Organization (Date: May 21, 2023, Organizations Affected: FRS, RE NO IMPACT APV)

Bill Header: RETIREMENT/FIREFIGHTERS: Provides relative to the board of trustees of the Firefighters' Retirement System

Purpose of Bill: This bill changes the way the retiree board member for the Firefighters' Retirement System (FRS) is elected from a vote of the members of the board to a vote of the retired members and beneficiaries of the system.

I. ACTUARIAL IMPACT ON RETIREMENT SYSTEMS

This section of the actuarial note is intended to provide a brief outline of the changes in plan provisions and actuarial effect on key aspects of the affected retirement systems. This bill does not change benefits or contributions to the plans and therefore has no actuarial impact.

II. FISCAL IMPACT ON RETIREMENT SYSTEMS

This section of the actuarial note pertains to annual fiscal costs (savings) associated with the retirement systems. The proposed legislation is expected to have minimal impact on Firefighters' Retirement System administrative costs. FRS currently mails nomination forms to retired members prior to the election of the retired board member so already incurs a similar cost to mailing the ballots required by this legislation. Any additional costs associated with including beneficiaries of the system in this mailing is expected to be minimal.

III. FISCAL IMPACT ON LOCAL GOVERNMENT ENTITIES
(Prepared by LLA Local Government Services)

This section of the actuarial note pertains to annual fiscal costs (savings) related to administrative expenditures and revenue impacts incurred by local government entities other than those included in Section II.

The proposed legislation is not expected to have any additional effects on fiscal administrative costs and revenues related to local government entities during the five-year measurement period, other than those outlined above.

IV. FISCAL IMPACT ON STATE GOVERNMENT ENTITIES
(Prepared by Legislative Fiscal Office)

This section of the actuarial note pertains to annual fiscal costs (savings) related to administrative expenditures and revenue impacts incurred by state government entities other than those included in Section II.

N/A - This bill only impacts local government, and therefore, has no state impact. The LFO does not review local government bills.

V. LEGISLATIVE PROCEDURAL ITEMS

Information Pertaining to La. Const. Art. X, §29(F)

- This bill contains a retirement system benefit provision having an actuarial cost. No member of the Firefighters' Retirement System could receive a larger benefit with the enactment of this bill than what they would have received without this bill.

Dual Referral Relative to Total Fiscal Costs or Total Cash Flows:

The information presented below is based on information contained in Sections II, III, and IV for the first three years following the 2023 Regular Session.

Senate

- 13.5.1 Applies to Senate or House Instruments
If an annual fiscal cost >= \$100,000, then bill is dual referred to:
Dual Referral: Senate Finance

- 13.5.2 Applies to Senate or House Instruments
If an annual tax or fee change >= \$500,000, then bill is dual referred to:
Dual Referral: Revenue and Fiscal Affairs

House

- 6.8F Applies to Senate or House Instruments
If an annual General Fund fiscal cost >= \$100,000, then bill is dual referred to:
Dual Referral: Appropriations

- 6.8G Applies to Senate Instruments only
If a net fee decrease occurs or is an increase in annual fees and taxes >= \$500,000, then bill is dual referred to:
Dual Referral: Ways and Means

This Note has been prepared by the Actuary for the Louisiana Legislative Auditor (LLA) with assistance from either the Fiscal Notes staff of the Legislative Auditor or staff of the Legislative Fiscal Office (LFO). The attachment of this Note provides compliance with the requirements of R.S. 24:521 as amended by Act 353 of the 2016 Regular Session.

Handwritten signature of Kenneth J. Herbold

Kenneth J. "Kenny" Herbold, ASA, EA, MAAA
Director of Actuarial Services
Louisiana Legislative Auditor