

2026 Regular Session

HOUSE BILL NO. 22

BY REPRESENTATIVE BACALA

RETIREMENT/CLERKS COURT: Provides relative to the Clerks' of Court Retirement System

1 AN ACT

2 To amend and reenact R.S. 11:1549, to enact R.S. 11:1550, and to repeal R.S. 11:105(A)(2),
3 106(A)(2), 107(A)(2), 107.1(A)(2), 242(B)(2), 243(A)(2), and 246(A)(2), relative
4 to the Clerks' of Court Retirement and Relief Fund; to provide relative to cost-of-
5 living adjustments; to provide for calculation of the amount of the adjustment; to
6 provide relative to the authority of the board of trustees to grant an adjustment; to
7 provide for the funding deposit account; to provide for employer contributions; and
8 to provide for related matters.

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

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 11:1549 is hereby amended and reenacted and R.S. 11:1550 is hereby
14 enacted to read as follows:

15 §1549. Cost-of-living adjustments

16 A. ~~The~~ Subject to the limitations of this Section, the board of trustees may,
17 upon majority vote of the board, use funds in the funding deposit account to grant or
18 provide a cost-of-living adjustment to ~~retired members who have been retired~~
19 retirees, beneficiaries, and survivors if benefits have been paid on the retiree's or
20 member's record for at least one full calendar year ~~as provided for in Subsection D,~~

1 ~~but only in the event that:~~ year. Cost-of-living adjustments shall be paid in such a
2 manner and in such amount as determined by the board of trustees, based on funds
3 available, and the board of trustees may set a maximum amount of such adjustments.
4 Any cost-of-living adjustment provided by the board in accordance with this Section
5 shall begin no earlier than the first of January following the approval of the most
6 recent actuarial valuation by the board of trustees and adoption by the Public
7 Retirement Systems' Actuarial Committee.

8 (1) ~~At the end of the system's current fiscal year the funded ratio of the~~
9 ~~system, as of the end of the previous fiscal year, equals or exceeds the target ratio as~~
10 ~~of that date for the system, and~~

11 (2) ~~The level of the Consumer Price Index for All Urban Consumers (CPI-U)~~
12 ~~for the current fiscal year is at least three percent higher than the level of the CPI-U~~
13 ~~for the fiscal year in which the last cost-of-living adjustment was granted.~~

14 B. As used in this Section, the "funded ratio" as of any fiscal year end shall
15 be defined as the ratio of the actuarial value of assets to the level percentage of
16 payroll entry age normal actuarial accrued liability ~~under the funding method~~
17 ~~prescribed by the office of the legislative auditor. The actuarial value of assets and~~
18 ~~actuarial accrued liability for the system shall be those amounts reported to the office~~
19 ~~of the legislative auditor in the Annual Report for Public Retirement Systems.~~

20 C. As used in this Section, the "target ratio" as of any fiscal year end shall
21 be defined as the lesser of (1) or (2) below:

22 (1) The board may grant a cost-of-living adjustment in any fiscal year in
23 which the system has a funded ratio of at least ~~One~~ one hundred percent.

24 (2) ~~The sum of (a), (b), (c), and (d) below:~~

25 (a) ~~The funded ratio as of the 1986 Fiscal Year end.~~

26 (b) ~~The number of fiscal years elapsed since the 1986 Fiscal Year end~~
27 ~~multiplied by one-thirtieth of the difference between one hundred percent and the~~
28 ~~funded ratio of the system as of the 1986 Fiscal Year end.~~

1 ~~(c) The amount of each change in funded ratio due to mergers or changes in~~
2 ~~actuarial methods or assumptions occurring after the 1986 Fiscal Year end.~~

3 ~~(d) For each change in funded ratio due to mergers or changes in actuarial~~
4 ~~methods or assumptions occurring after the 1986 Fiscal Year end, an amount of~~
5 ~~opposite arithmetic sign from such change in funded ratio equal in absolute value to~~
6 ~~the number of fiscal years since the change in funded ratio multiplied by one-thirtieth~~
7 ~~of the original change in funded ratio due to the merger or change in actuarial~~
8 ~~methods or assumptions. If the system has a funded ratio of less than one hundred~~
9 ~~percent, the board may grant a cost-of-living adjustment if:~~

10 ~~(a) The system has a funded ratio of at least ninety percent and the board has~~
11 ~~not granted a cost-of-living adjustment in the most recent fiscal year.~~

12 ~~(b) The system has a funded ratio of at least eighty percent and the board has~~
13 ~~not granted a cost-of-living adjustment in either of the two most recent fiscal years.~~

14 ~~(c) The system has a funded ratio of at least seventy percent and the board~~
15 ~~has not granted a cost-of-living adjustment in any of the three most recent fiscal~~
16 ~~years.~~

17 ~~(3) For purposes of determining the system's funded ratio pursuant to this~~
18 ~~Subsection, the actuarial value of assets shall be reduced by the actuarial present~~
19 ~~value of the cost-of-living adjustment.~~

20 ~~D. Any cost-of-living adjustment granted by the board of trustees shall not~~
21 ~~exceed the lesser of:~~

22 ~~(1) An increase in benefits of two and one-half percent per year for each full~~
23 ~~calendar year of retirement.~~

24 ~~(2) An increase in benefits of forty dollars per month in any one year. If~~
25 ~~authorized pursuant to Subsection C of this Section, the board of trustees may do one~~
26 ~~of the following:~~

27 ~~(1) Grant a cost-of-living adjustment in benefits to eligible retirees,~~
28 ~~beneficiaries, and survivors in an amount not to exceed three percent of the current~~
29 ~~benefit.~~

1 (2) Grant a cost-of-living adjustment that is a monthly increase of the benefit
2 of each recipient in a dollar amount that is a multiple or a fraction of the number of
3 years of credited service accrued at retirement of the retiree or at death of the
4 member plus a multiple or a fraction of the number of years since retirement of the
5 retiree or since death of the member to the effective date of the adjustment. The total
6 actuarial present value of a cost-of-living adjustment granted in accordance with this
7 Paragraph shall not exceed the actuarial present value of a cost-of-living adjustment
8 granted pursuant to Paragraph (1) of this Subsection.

9 E. The board may grant a cost-of-living adjustment of up to two percent of
10 the current benefit to all eligible retirees, beneficiaries, and survivors who are sixty-
11 five years of age or over. The increase granted pursuant to this Subsection may be
12 in addition to any other cost-of-living adjustment granted by the board.

13 §1550. Employer contributions; funding deposit account

14 A. Notwithstanding any provision of law to the contrary, the board of
15 trustees may:

16 (1) In any fiscal year during which the net direct employer contribution rate
17 would otherwise be decreased, require an employer contribution rate equal to the
18 previous year's employer contribution rate or a rate lower than the previous year's
19 employer contribution rate if the lower rate is not less than the employer contribution
20 rate calculated in accordance with the provisions of R.S. 11:103.

21 (2) Require an employer contribution rate of up to three percent more than
22 the rate determined pursuant to R.S. 11:103.

23 B. The funding deposit account established by Act No. 296 of the 2009
24 Regular Session of the Legislature is continued. All surplus funds collected by the
25 system in any year in which the board exercises the authority provided in Subsection
26 A of this Section shall be credited to the system's funding deposit account.

27 C. The funds in the account shall earn interest annually at the
28 board-approved actuarial valuation interest rate, and such interest shall be credited
29 to the account once a year.

1 D.(1) Notwithstanding any provision of law to the contrary, the board of
2 trustees may in any fiscal year direct that funds from the account be charged for only
3 the following purposes:

4 (a) To reduce the frozen unfunded accrued liability.

5 (b) To reduce the present value of future normal costs.

6 (c) To pay all or a portion of any future net direct employer contributions.

7 (d) To provide for cost-of-living adjustments, in accordance with applicable
8 law.

9 (2) In no event shall the funds charged from the account exceed the
10 outstanding account balance.

11 (3) If the board of trustees elects to charge funds from the funding deposit
12 account pursuant to Subparagraph (1)(c) of this Subsection, the percent reduction in
13 the minimum recommended employer contribution rate otherwise applicable shall
14 be determined by dividing the interest-adjusted value of the charges from the funding
15 deposit account by the projected payroll for the fiscal year for which the contribution
16 rate is to be reduced.

17 (4) The balance in the funding deposit account shall be excluded from the
18 assets used in the calculation of the employer contribution rate pursuant to R.S.
19 11:103.

20 (5) For all purposes other than funding, the funds in the account shall be
21 considered assets of the system.

22 Section 2. R.S. 11:105(A)(2), 106(A)(2), 107(A)(2), 107.1(A)(2), 242(B)(2),
23 243(A)(2), and 246(A)(2) are hereby repealed in their entirety.

24 Section 3. This Act shall become effective upon signature by the governor or, if not
25 signed by the governor, upon expiration of the time for bills to become law without signature
26 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
27 vetoed by the governor and subsequently approved by the legislature, this Act shall become
28 effective on the day following such approval.

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 22 Original

2026 Regular Session

Bacala

Abstract: Provides relative to cost-of-living adjustments and calculation of employer contributions for the Clerks' of Court Retirement and Relief Fund.

Present law authorizes certain statewide retirement systems including the Clerks' of Court Retirement and Relief Fund (Clerks) to grant adjustments in monthly benefits, commonly called cost-of-living adjustments (COLAs), to retirees and other beneficiaries. Provides for eligibility, timing, and the amount of the COLA. Limits the authority to grant a COLA based on the funding percentage of the system and the time the last COLA was granted.

Present law, applicable to certain statewide systems, authorizes the Clerks board of trustees to set an employer contribution rate above the actuarially required contribution rate calculated in accordance with present law. Allows the board to set a rate between the current rate and the actuarially required minimum rate. Allows the board to set the rate up to 3% higher than the actuarially required rate.

Present law, applicable to certain statewide systems including Clerks, provides for a funding deposit account (FDA) for accumulation of the additional employer contributions collected as a result of the board setting an employer contribution rate above the actuarially required rate. Specifies the purposes for which the money in the FDA may be used, one of which is providing COLAs.

Proposed law retains present law.

Present law authorizes the Clerks board of trustees to grant a COLA to eligible benefit recipients who have been retired at least one full year. Limits the COLA to the lesser of 2.5% or \$40 per month.

Proposed law specifies that all retirees, beneficiaries, and survivors are eligible to receive COLAs. Requires the FDA to be the source of funding.

Proposed law increases the maximum COLA to 3% and removes the \$40 per month cap.

Proposed law provides that the COLA begins no earlier than Jan. first following board approval of the actuarial valuation and subsequent adoption by the Public Retirement Systems' Actuarial Committee (PRSAC).

Present law limits the authority of certain statewide system boards to grant a COLA based on the funding level and date of the most recent COLA. A board may grant a COLA if the system is:

- (1) At least 90% funded and no COLA was granted in the most recent fiscal year.
- (2) At least 80% funded and no COLA was granted in either of the two most recent fiscal years.
- (3) At least 70% funded and no COLA was granted in any of the three most recent fiscal years.

Proposed law retains present law and authorizes the Clerks board to grant a COLA in any fiscal year in which the system is at least 100% funded. Specifies that the funded ratio as of any fiscal year end shall be defined as the ratio of the actuarial value of assets to the level percentage of payroll entry age normal actuarial accrued liability.

Present law provides that, unless the legislature or the system board specifies otherwise, a COLA shall be an increase in the monthly benefit of each recipient in the dollar amount equal to:

- (1) The total of number of years of credited service accrued at retirement or at the death of the member or retiree.
- (2) The number of years since retirement or since the death of the member or retiree.

Present law provides that if there are not sufficient funds to fund the benefit at the rate of \$1 per year for the total number of years, then the rate shall be reduced in proportion to the amount of funds that are available in the FDA to fund the COLA.

Proposed law allows the Clerks board to grant a COLA of a dollar amount based on the years of service and the years since the benefit payments began. Allows the board to use more than \$1 as the multiplier and to have different multipliers. Limits the selection of multiples used in the calculation by prohibiting the total actuarial present value of an increase under proposed law from exceeding the actuarial present value of a COLA that increases each recipient's benefit by 3%.

Proposed law otherwise retains present law.

Present law, applicable to certain statewide systems including Clerks, authorizes the board of trustees to use excess investment income to provide a supplemental COLA equal to 2% of the original benefit to all retirees and beneficiaries who are 65 years of age or older. Limits the authority to years in which the actuarial rate of return exceeds the valuation interest rate.

Present law governing the FDA allows FDA money to be used to fund any COLA otherwise authorized by law.

Proposed law authorizes the Clerks board to grant a COLA of up to 2% of the current benefit to recipients who are 65 years of age or over funded by money in the FDA. Specifies that this may be in addition to any other COLA granted.

Proposed law otherwise retains present law.

Present law provides relative to the authority of the board of trustees to grant a COLA in a year in which the legislature fails to enact legislation granting a COLA.

Present law prohibits the governing authority from granting a COLA during any calendar year prior to the final adjournment of the regular session of the legislature.

Present law provides that a COLA cannot be granted until a lapse of at least one-half of the fiscal year and the funded ratio of the previous fiscal year exceeds the target ratio defined in present law.

Proposed law removes the limitations of present law for Clerks.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 11:1549; Adds R.S. 11:1550; Repeals R.S. 11:105(A)(2), 106(A)(2), 107(A)(2), 107.1(A)(2), 242(B)(2), 243(A)(2), and 246(A)(2))