



**OFFICE OF LEGISLATIVE AUDITOR  
2026 REGULAR SESSION  
ACTUARIAL NOTE**

<b>House Bill 14 HLS 26RS-117</b> <b>Original</b> <b>Author: Wilder</b> <b>LLA Note HB 14.01</b>	<b>Date: February 27, 2026</b> <b>Organizations Affected: TRSL</b>  <b>OR NO IMPACT APV</b>
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**Bill Header:** RETIREMENT/TEACHERS: Provides relative to beneficiaries within the Teachers' Retirement System of Louisiana

**Purpose of Bill:** Proposed law creates a new optional payment form for the Teachers' Retirement System of Louisiana (TRSL) allowing members to designate one or more children with permanent mental or physical disabilities as beneficiaries and establishes procedures for the medical determination and payment of associated costs for that determination.

**Summary of Impact<sup>1</sup>:** The estimated net actuarial and fiscal impact of the proposed legislation is summarized below.

Proposed law is not expected to have a material impact on the *actuarial present value of expected future benefits and administrative expenses* incurred by the retirement system. A more detailed explanation can be found in Section I: Actuarial Impact on Retirement Systems.

This bill is subject to the Louisiana Constitution which requires unfunded liabilities created by an improvement in retirement benefits to be amortized over a period not to exceed ten years.

**Net Fiscal Costs** pertain to changes to all cash flows over the next five-year period including retirement system cash flows or cash flows related to local and state government entities.

In the following table, expenditures and revenues include cash flows to or from the affected retirement system (e.g. administrative expenses incurred by, benefit payments from, or contributions to the retirement system) and do not include administrative expenditures and revenues specifically incurred by the state or local government entities associated with implementing the legislation. A more detailed explanation can be found in Section II: Fiscal Impact on Retirement Systems.

<b>Five Year Net Fiscal Costs Pertaining to:</b>	<u>Expenditures</u>	<u>Revenues</u>
The Retirement Systems	\$ 0	\$ 0
Local Government Entities	0	0
State Government Entities	0	0
<b>Total</b>	<b>\$ 0</b>	<b>\$ 0</b>

In the following table, expenditures and revenues include administrative expenditures and revenues specifically incurred by the state or local government entities associated with implementing the legislation and do not include cash flows to or from the affected retirement system (i.e. contribution changes included in the above table). This information is provided by the LLA Local Government Services or the Legislative Fiscal Office. A more detailed explanation can be found in Sections III: Fiscal Impact on Local Government Entities and Section IV: Fiscal Impact on State Government Entities.

<b>Five Year Net Fiscal Costs Pertaining to:</b>	<u>Expenditures</u>	<u>Revenues</u>
Local Government Entities	\$ 0	\$ 0
State Government Entities	0	0
<b>Total</b>	<b>\$ 0</b>	<b>\$ 0</b>

<sup>1</sup> This is a different assessment from the actuarial cost requiring a 2/3<sup>rd</sup> vote (refer to the section near the end of this Actuarial Note "Information Pertaining to La. Const. Art. X, §29(F)").

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.

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**Director of Actuarial Services**  
**Louisiana Legislative Auditor**

## **2026 REGULAR SESSION ACTUARIAL NOTE HB 14**

### **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.

Under present law, retiring members may elect to receive a reduced retirement benefit with survivor benefits payable to a designated beneficiary under one of seven optional payment forms, all of which must be actuarially equivalent to the maximum benefit option.

Proposed law authorizes an additional optional form of payment, which allows a retiring member to designate one or more children diagnosed with a permanent mental or physical disability as the beneficiary(ies). Proposed law requires that the benefit be actuarially equivalent to the member's maximum benefit option specifies procedures for the timing of the disability determination as well as requiring the member to pay for the cost of the medical determination if at least 50% of the benefit payable to the surviving child(ren).

Theoretically, these changes are "cost neutral" because the purpose of an actuarial equivalent calculation is to make the value to the recipients, regardless of who and how many, and the cost to the retirement system "the same". In practice, providing additional options will generally subject the system to anti-selection risk, resulting in some additional cost risk to the system. It is not anticipated that a large percentage of the population will be eligible (i.e. have children with permanent mental or physical disabilities), therefore, the ultimate impact is not expected to be material.

### **II. FISCAL IMPACT ON RETIREMENT SYSTEMS**

This section of the actuarial note pertains to annual fiscal costs (savings) associated with the retirement systems.

The retirement system has indicated that the administrative requirements associated with implementing this new provision can be absorbed within the existing budget, therefore, the proposed legislation is not expected to have any measurable effects on retirement related fiscal costs and revenues during the five-year measurement period.

### **III. FISCAL IMPACT ON LOCAL GOVERNMENT ENTITIES**

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.

N/A – This bill only impacts state government, and therefore, has no local government impact.

### **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.

Other than the impact on employer contribution rates which is already reflected in Section II above, there is no anticipated direct material effect on governmental expenditures and revenues as a result of this measure.

### **V. ACTUARIAL DISCLOSURES**

#### **Intended Use**

This actuarial note is based on our understanding of the bill as of the date shown above. It is intended to be used by the legislature during the current legislative session only and assumes no other legislative changes affecting the funding or benefits of the affected systems, other than those identified, will be adopted. Other readers of this actuarial note are advised to seek professional guidance as to its content and interpretation, and not to rely upon this communication without such guidance. The actuarial note, and any referenced documents, should be read as a whole. Distribution of, or reliance on, only parts of this actuarial note could result in its misuse and may mislead others. The summary of the impact of the bill included in this actuarial note is for the purposes of an actuarial analysis only, as required by La. R.S. 24:521, and is not a legal interpretation of the provisions of the bill.

#### **Actuarial Data, Methods and Assumptions**

Unless indicated otherwise, this actuarial note was prepared using actuarial data, methods, and assumptions as disclosed in the most recent actuarial valuation report adopted by the Public Retirement Systems' Actuarial Committee (PRSAC). The assumptions and methods are reasonable for the purpose of this analysis.

#### **Conflict of Interest**

There is nothing in the proposed legislation that will compromise the signing actuary's ability to present an unbiased statement of actuarial opinion.

#### **Risks Associated with Measuring Costs**

This actuarial note is an actuarial communication and is required to include certain disclosures in compliance with Actuarial Standards of Practice (ASOP) No. 51. Risk disclosures otherwise required by ASOP No. 51 do not apply to this actuarial note because the proposed bill does not significantly change the types or levels of risks of the retirement system.

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**Certification**

Kenneth J. Herbold is an Associate of the Society of Actuaries (ASA), a Member of the American Academy of Actuaries (MAAA), and an Enrolled Actuary (EA) under the Employees Retirement Income Security Act of 1974. Mr. Herbold meets the US Qualification Standards necessary to render the actuarial opinion contained herein.

**VI. LEGISLATIVE PROCEDURAL ITEMS**

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

- This bill contains a retirement system benefit provision having an actuarial cost.

Some members of a retirement system, or their beneficiary, 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 2026 Regular Session.

**Senate**

- 13.5.1 Applies to Senate or House Instruments  
If an annual fiscal cost  $\geq$  \$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  $\geq$  \$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  $\geq$  \$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  $\geq$  \$500,000, then bill is dual referred to:  
**Dual Referral: Ways and Means**