
DIGEST

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Jones

HB No. 32

Abstract: Provides a permanent benefit increase of 1.5%, funded by the State Police Retirement System (STPOL) experience account, to all eligible retirees and beneficiaries and further grants a supplemental increase of 2%, also funded by the experience account, to eligible retirees and beneficiaries over the age of 65.

Present law provides that the board of trustees of STPOL may recommend to the president of the Senate and the speaker of the House of Representatives that the system be permitted to grant a permanent benefit increase, sometimes called a cost-of-living adjustment or COLA, to retirees and beneficiaries whenever the balance in the STPOL experience account is sufficient to fund such benefit.

Present law provides the board of trustees shall not grant a permanent benefit increase unless such increase has been approved by the legislature by concurrent resolution adopted by the favorable vote of a majority of the elected members of each house.

Notwithstanding present statutory law providing for legislative approval by resolution, present constitution provides that benefits from public retirement systems may only be altered by legislative enactment. Present constitution further requires a 2/3 vote of the legislature to pass any such change in benefits that has an actuarial cost.

Present law limits the amount of the general increase to the lesser of 3% or the increase in a specified consumer price index for the previous calendar year; for 2013 that increase was 1.5%. Further provides for a supplemental benefit increase of an additional 2% for retirees and beneficiaries who are over the age of 65.

Proposed law grants the following permanent benefit increases:

- (1) An increase of 1.5% to all qualified retirees and beneficiaries.
- (2) An additional increase of 2% to all retirees and beneficiaries above the age of 65 who qualify for such increase pursuant to the provisions of present law.

Pursuant to present constitution (Art. X, §29(F)), proposed law further provides that the cost of such increase shall be paid by funds from the system's experience account.

Effective June 30, 2014.

