
DIGEST

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Jones

HB No. 33

Abstract: Provides a permanent benefit increase of 1.5%, funded by the La. School Employees' Retirement System (LSERS) experience account, to eligible retirees and beneficiaries of LSERS.

Present law provides that the board of trustees of LSERS 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 to retirees and beneficiaries whenever the balance in the LSERS employee 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 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%.

Proposed law grants the a permanent benefit increase of 1.5% to all qualified retirees and beneficiaries of LSERS.

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.