
DIGEST

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Barrow

HB No. 90

Abstract: Requires and provides for conditions and procedures for the provision of occasional supplemental payments to eligible retirees and beneficiaries of the four state retirement systems to the extent that monies are available from the Seniors' Supplement Fund.

Present constitution requires the establishment of state retirement systems for teachers, school employees, and officials and employees of the state.

Present law provides for four state retirement systems: the Teachers Retirement System of Louisiana, the Louisiana School Employees' Retirement System, the Louisiana State Employees' Retirement System, and the Louisiana State Police Retirement Systems ("state retirement systems").

Proposed law retains present law.

Proposed law requires occasional supplemental payments to eligible retirees and beneficiaries of the four state retirement systems to the extent that monies are available from the Seniors' Supplement Fund to fund the payment.

Proposed law provides for definitions.

Proposed law establishes the Seniors' Supplement Fund ("fund") as a special treasury fund for the purpose of accumulating monies for the provision of occasional supplemental payments to eligible retirees and beneficiaries of the state retirement systems.

Proposed law provides that the fund shall consist of monies deposited pursuant to proposed constitutional amendment, appropriations, and revenues from any other source. Monies in the fund shall be invested in the same manner as those in the state general fund, and any earnings thereon shall be deposited into the fund. All unexpended and unencumbered monies in the fund at the end of a fiscal year shall remain in the fund.

Proposed law limits appropriations from the fund to the making of occasional supplemental payments in any amount equal to or in excess of the minimum established by proposed law and administrative expenses. Withdrawals, transfers, or appropriations from the fund for any other purpose shall be prohibited.

Proposed law establishes a minimum supplemental payment amount of \$300 each fiscal year for

each eligible retiree and beneficiary of a state retirement system.

Proposed law prohibits a supplemental payment from being interpreted or construed to constitute a retirement benefit.

Proposed law provides for procedures and mechanisms for the determination of the feasibility of providing a supplemental payment in any fiscal year.

Proposed law requires that the Public Retirement Systems' Actuarial Committee ("committee") receive information from the state treasurer and the state retirement systems relative to a potential occasional supplemental payment in the next year to eligible retirees and beneficiaries to be supported by appropriations from the fund. The committee is required to adopt findings in this regard. These committee activities shall occur at the same meeting at which the committee adopts an official valuation of each state public retirement system.

Proposed law requires the state treasurer to notify the committee of the fund's balance as of the close of each calendar year. The notification shall occur at a time and in a manner determined by the state treasurer and the chairman of the committee.

Proposed law requires that each state retirement system annually develop an estimate of the cost of providing a supplemental payment to its eligible retirees and beneficiaries in the next fiscal year. The estimate shall be based on the minimum payment amount (\$300) and shall include any administrative costs necessary for provision of the payment. Each system shall present its estimate to the committee for consideration at the same meeting at which the systems' official valuation is adopted. The form and content of estimates shall be prescribed by the committee.

Proposed law requires that, having considered the fund balance information from the state treasurer and the state retirement systems' cost estimates, the committee shall adopt findings relative to the feasibility of providing a supplemental payment in the minimum amount, and, may adopt findings relative to the feasibility of providing a supplemental payment in a greater amount which can be supported by the fund balance.

Proposed law requires the committee chairman to notify the members of both houses of the legislature if the committee finds that the fund balance is sufficient to provide for a supplemental payment. Pursuant to proposed constitutional amendment, if the committee has provided such notification, the legislature is required to appropriate monies from the fund in the next fiscal year for the provision of a supplemental payment in an amount equal to or greater than the minimum amount established under proposed law.

Effective if and when the proposed amendment of Article VII, Section 10 and adoption of Article VII, Section 10.13 of the Constitution of La. contained in the Act which originated as House Bill No. __ of this 2014 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Adds R.S. 11:127(E), and 331 through 336)

