


**2014 REGULAR SESSION
ACTUARIAL NOTE SB 24**

<p>Senate Bill 24 SLS 14RS-121 Reengrossed with Senate Floor Legislative Bureau Amendment #1128</p> <p>Author: Senator Elbert L. Guillory</p> <p>Date: March 24, 2014</p> <p>LLA Note SB 24.03</p> <p>Organizations Affected: Sheriffs' Pension and Relief Fund</p> <p>RE NO IMPACT APV</p>	<p>The Note was prepared by the Actuarial Services Department of the Office of the Legislative Auditor. The attachment of the Note to SB 24 provides compliance with the requirements of R.S. 24:521.</p> <div style="text-align: center;">  Paul T. Richmond, ASA, MAAA, EA Manager Actuarial Services </div>
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Bill Header: SHERIFFS PEN/RELIEF FUND. Provides designations and terms of office for members of the board of trustees. (6/30/14)

Cost Summary:

The estimated actuarial and fiscal impact of the proposed legislation is summarized below. Actuarial costs pertain to changes in the *actuarial present value of future benefit payments*. A cost is denoted by "Increase" or a positive number. Savings are denoted by "Decrease" or a negative number.

Actuarial Cost/(Savings) to Retirement Systems and OGB	\$0
Total Five Year Fiscal Cost	
Expenditures	\$0
Revenues	\$0

Estimated Actuarial Impact:

The chart below shows the estimated change in the *actuarial present value of future benefit payments*, if any, attributable to the proposed legislation. A cost is denoted by "Increase" or a positive number. Savings are denoted by "Decrease" or a negative number. Present value costs associated with administration or other fiscal concerns are not included in these values.

Actuarial Cost (Savings) to:	<u>Increase (Decrease) in</u> <u>The Actuarial Present Value</u>
All Louisiana Public Retirement Systems	\$0
Other Post Retirement Benefits	\$0
Total	\$0

Estimated Fiscal Impact:

The chart below shows the estimated fiscal impact of the proposed legislation. This represents the effect on cash flows for government entities including the retirement systems and the Office of Group Benefits. Fiscal costs include estimated administrative costs and costs associated with other fiscal concerns. A fiscal cost is denoted by "Increase" or a positive number. Fiscal savings are denoted by "Decrease" or a negative number.

EXPENDITURES	2014-15	2015-16	2016-17	2017-2018	2018-2019	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

REVENUES	2014-15	2015-16	2016-17	2017-2018	2018-2019	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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Bill Information:

Current Law

Current law states that the board of trustees for the Sheriffs' Pension and Relief Fund (SPRF) consists of fourteen members determined in the following manner.

1. One member, who is an active or retired sheriff and elected by the members of the Louisiana Sheriffs' Association as president, for a term of two years from the date of taking office.
2. Three members, who are active participating sheriff members of the fund and elected by the Louisiana Sheriffs' Association at the annual general membership meetings, for a term of three years. One member elected at each meeting.
3. Three members, who are former sheriffs who are recipients of either a service or disability retirement benefit from the fund and elected by the Louisiana Sheriffs' Association at the annual general membership meeting, for a term of three years. One member elected at each meeting.
4. Three members who are active full-time deputy sheriffs and are participating members of the fund.
5. Three members who are retired deputy sheriffs and are recipients of either a service or disability retirement benefit from the fund.
6. One member, who is an active sheriff and is a participating member of the fund or a former sheriff who is retired and is a recipient of the fund, elected by the members of the Louisiana Sheriffs' Association. This member shall be designated as secretary-treasurer with a term of one year.

Proposed Law

Under SB 24, the member who is elected as the secretary-treasurer will be designated as the vice president.

SB 24 specifies a term of three years for the president and vice president of the board of trustees.

Implications of the Proposed Changes

As a result of SB 24, the term secretary-treasurer will be changed to vice president, and the term of office for the president and vice president will be changed to three years.

Cost Analysis:

Analysis of Actuarial Costs

Retirement Systems

There are no actuarial costs associated with SB 24.

Other Post-Employment Benefits

SB 24 has no effect on actuarial costs associated with post-employment benefits other than pensions.

Analysis of Fiscal Costs

There are no fiscal costs associated with SB 24.

Actuarial Data, Methods and Assumptions

This actuarial note was prepared using actuarial data, methods, and assumptions as disclosed in the most recent actuarial valuation report approved by PRSAC. The actuary signing this note may or may not agree with or endorse these assumptions. He is using this data, methods and assumptions to provide consistency with the actuary for the retirement systems who also may be providing testimony to the Senate and House retirement committees.

Actuarial Caveat

There is nothing in SB 24 that will compromise the signing actuary's ability to present an unbiased statement of actuarial opinion.

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Actuarial Credentials:

Paul T. Richmond is the Manager of Actuarial Services for the Louisiana Legislative Auditor. He is an Enrolled Actuary, a member of the American Academy of Actuaries, a member of the Society of Actuaries and has met the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinion contained herein.

Dual Referral:

Senate

- 13.5.1: Annual Fiscal Cost \geq \$100,000
- 13.5.2: Annual Tax or Fee Change \geq \$500,000

House

- 6.8(F)(1): Annual Fiscal Cost \geq \$100,000
- 6.8(F)(2): Annual Revenue Reduction \geq \$100,000
- 6.8(G): Annual Tax or Fee Change \geq \$500,000