

2015 Regular Session

HOUSE BILL NO. 42

BY REPRESENTATIVE JONES

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT/COLAS: Authorizes payments funded by state retirement system experience accounts to certain retirees and beneficiaries of such systems

1 AN ACT

2 To enact R.S. 11:542.2, 883.4, 1145.3, and 1331.2, to authorize payments funded by state  
3 retirement system experience accounts to certain retirees and beneficiaries of such  
4 systems; to provide qualifications for receipt of such payments; to provide relative  
5 to the amount of such payments; and to provide for related matters.

6 Notice of intention to introduce this Act has been published  
7 as provided by Article X, Section 29(C) of the Constitution  
8 of Louisiana.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:542.2, 883.4, 1145.3, and 1331.2 are hereby enacted to read as  
11 follows:

12 §542.2. Permanent benefit increase; payable July 1, 2015

13 A. Notwithstanding any provision of R.S. 11:542 to the contrary, the board  
14 of trustees of the Louisiana State Employees' Retirement System may pay a  
15 permanent benefit increase, payable July 1, 2015, to the following retirees and  
16 beneficiaries:

17 (1) Any retiree, other than a disability retiree, who has attained at least age  
18 sixty and who has received a benefit for at least one year.









- (2) Any nonretiree beneficiary who has received a benefit for at least one year (aggregated with any time the deceased member may have received a benefit) if the deceased member would have attained age 60.
- (3) Any disability retiree or any beneficiary who receives benefits based on the death of a disability retiree if benefits have been received for at least one year.

Proposed law retains present law.

Present law provides that a COLA may only be granted every other year. During the 2014 R.S., the legislature authorized payment, payable July 1, 2014, of a COLA for retirees and beneficiaries of each of the four state retirement systems.

Proposed law provides a COLA, payable July 1, 2015, for the retirees and beneficiaries of each of the four state retirement systems. Uses the funds from the system experience accounts to fund such a payment.

Proposed law provides that retirees and beneficiaries who would qualify for a COLA under present law qualify for receipt of the COLA authorized by proposed law.

Proposed law provides that the amount of the COLA shall be an amount supported by the funds in the system's experience account, after all required credits and debits to the account under present law, up to a maximum payment of 1.5% of the retiree or beneficiary's benefit amount.

Proposed law provides that the benefit increase shall only be paid on the first \$60,000 of a retiree or beneficiary's benefit.

Proposed law provides that any cost of this Act not funded by payments made from the system experience account shall be funded with additional employer contributions in compliance with Article X, Section 29(F) of the Constitution of Louisiana.

Proposed law provides that in the case of any conflict between the provisions of proposed law and the provisions of any other Act of the 2015 R.S., the provisions of proposed law shall supercede and control regardless of the order of passage.

Effective June 30, 2015.

(Adds R.S. 11:542.2, 883.4, 1145.3, and 1331.2)