

2015 Regular Session

HOUSE BILL NO. 48

BY REPRESENTATIVE THIBAUT

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

RETIREMENT/STATEWIDE SYS: Provides relative to the authority of statewide retirement systems to fund cost-of-living increases with funding deposit account balances

1 AN ACT

2 To enact R.S. 11:107.1(D)(4), relative to funding deposit accounts established within certain  
3 statewide retirement systems; to provide relative to authorized uses of account funds;  
4 and to provide for related matters.

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

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 11:107.1(D)(4) is hereby enacted to read as follows:

10 §107.1. Funding deposit account

11 \* \* \*

12 D. Beginning with the first valuation on or after December 31, 2008, the  
13 board of trustees of each system may in any fiscal year direct that funds from the  
14 account be charged for the following purposes:

15 \* \* \*

16 (4) To provide for cost-of-living increases, in accordance with applicable  
17 law.

18 \* \* \*

1 Section 2. This Act shall become effective on June 30, 2015; if vetoed by the  
2 governor and subsequently approved by the legislature, this Act shall become effective on  
3 June 30, 2015, or on the day following such approval by the legislature, whichever is later.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 48 Engrossed

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**Abstract:** Authorizes certain statewide retirement systems to fund cost-of-living increases from amounts accumulated in the system's Funding Deposit Account.

Present law (R.S. 11:105 - 107) authorizes certain statewide retirement systems to modify employer contribution rates in certain circumstances. While specific authorizations differ by system, generally the systems are given the authority to:

- (1) Hold employer contribution rates at last year's higher level.
- (2) Set the employer contribution rate up to 3% above the recommended rate.
- (3) Set the employer contribution rate somewhere between the new lower rate and last year's higher rate.

Further requires that any monies collected from such increase be used in the following order:

- (1) Pay down system UAL.
- (2) Decrease employer contribution rates.

Proposed law retains present law.

Present law (R.S. 11:107.1) establishes a funding deposit account within each of the following retirement systems:

- (1) Assessors' Retirement
- (2) Clerks' of Court
- (3) Municipal Employees'
- (4) Parochial Employees'
- (5) Registrars of Voters'

Funds collected through exercise of present law authority to increase employer contribution rates are deposited into these funding deposit accounts. Present law authorizes the named systems to use funds in their account to pay system UAL or decrease employer contribution rates. Proposed law retains present law.

Proposed law further authorizes such systems to use account balances to pay cost-of-living adjustments (COLAs). Requires payments made pursuant to proposed law to comply with present law requirements and restrictions on payment of COLAs.

Effective June 30, 2015.

(Adds R.S. 11:107.1(D)(4))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Retirement to the original bill:

1. Authorize each statewide retirement system with a funding deposit account rather than just the Assessors' Retirement Fund to use account funds to pay cost-of-living adjustments.