

HOUSE SUMMARY OF SENATE AMENDMENTS

HB 48

2015 Regular Session

Thibaut

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

Synopsis of Senate Amendments

1. Require any cost-of-living adjustment (COLA) paid for pursuant to proposed law to comply with present law funded ratio and timing requirements for granting COLAs (R.S. 11:243).

Digest of Bill as Finally Passed by Senate

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. Further requires any COLA paid pursuant to proposed law to comply with the funded ratio and timing requirements for granting COLAs in present law (R.S. 11:243).

Effective June 30, 2015.

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