
DIGEST

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HB 33 Original

2016 Regular Session

Jones

Abstract: Repeals requirement that benefit increases for retirees and beneficiaries of state retirement systems be approved by the legislature and authorizes the boards of trustees of such systems to pay the increases when requirements in present law are otherwise met.

Present law provides criteria and prerequisites for the payment of a permanent benefit increase (also known as a cost-of-living adjustment, hereafter "COLA") to qualifying retirees and beneficiaries of state retirement systems. Proposed law retains present law.

Present law provides that any COLA paid pursuant to present law will only be payable on the first \$60,000 of the retiree or beneficiary's benefit. Proposed law retains present law. Present law provides that for COLAs granted on or after July 1, 2015, the present law \$60,000 cap shall be indexed in accordance with the Consumer Price Index for Urban Consumers (CPI-U). Proposed law holds the cap at \$60,000 until July 1, 2028, at which time the indexing shall commence in accordance with the CPI-U as provided in present law.

Present law requires any proposal to grant a COLA to be approved by the legislature before the board may pay the increase. Proposed law removes the requirement that the legislature approve each COLA prior to payment. Authorizes the board of trustees of each system to pay a COLA when the prerequisites and criteria in present law are met. Further requires the board to submit a report to the House and Senate committees on retirement within 10 days after action to grant a COLA pursuant to proposed law. Provides that such report shall contain:

- (1) The cost of the increase.
- (2) The percentage by which each qualifying retiree and beneficiary's benefit will be increased.
- (3) The date the increase was approved by the board.
- (4) The remaining balance in the account used to fund such increase.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 11:542(C)(1)(intro. para.) and (G)(1)(intro. para.), 883.1(C)(1)(intro. para.), (F)(2), and (H)(1)(intro. para.), 1145.1(C)(1)(intro. para.) and (F)(1)(intro. para.), and 1332(C)(1)(intro. para.), (F), and (G)(1)(intro. para.); Adds R.S. 11:542(G)(1)(e) and (H), 883.1(H)(1)(e) and (I), 1145.1(F)(1)(e) and (G), and 1332(G)(1)(e) and (H))

