

SENATE BILL NO. 10

BY SENATOR GUILLORY

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

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AN ACT

To amend and reenact R.S. 11:2178(M)(1)(a)(ii) and to enact R.S. 11:242(F), 243, and 2178(M)(1)(d), relative to statewide retirement systems; to provide for cost-of-living adjustments and permanent benefit increases; to provide for an effective date; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:2178(M)(1)(a)(ii) is hereby amended and reenacted and R.S. 11:242(F), 243, and 2178(M)(1)(d) are hereby enacted to read as follows:

§242. Cost-of-living adjustments; permanent benefit increases; restrictions

* * *

F. The power of the governing authority of a system listed in Subsection B of this Section to grant benefit increases pursuant to the provisions of this Section shall cease when the governing authority makes an irrevocable election pursuant to R.S. 11:243(B)(1) to have future benefit increases for retirees, survivors, and beneficiaries governed by R.S. 11:243.

* * *

§243. Cost-of-living adjustments; permanent benefit increases; restrictions; funding criteria

A. The provisions of this Section shall apply to the following retirement systems:

(1) The Assessors' Retirement Fund.

1 (2) The Clerks' of Court Retirement and Relief Fund.

2 (3) The District Attorneys' Retirement System.

3 (4) The Municipal Employees' Retirement System of Louisiana.

4 (5) The Parochial Employees' Retirement System of Louisiana.

5 (6) The Registrars of Voters Employees' Retirement System.

6 (7) The Sheriffs' Pension and Relief Fund.

7 (8) The Municipal Police Employees' Retirement System.

8 (9) The Firefighters' Retirement System.

9 B.(1) On or before December 31, 2013, the governing authority of each
10 of the retirement systems listed in Subsection A shall in a public meeting make
11 an irrevocable election to have future benefit increases for retirees, survivors,
12 and beneficiaries governed by R.S. 11:242 or this Section. In the event that the
13 governing authority takes no action by the specified date, the provisions of this
14 Section shall not apply and the benefit increases of that system shall continue
15 to be subject to the provisions of R.S. 11:242.

16 (2) After the governing authority has made its election, the board of
17 trustees shall inform the speaker of the House of Representatives, the president
18 of the Senate, and the Louisiana State Law Institute of its election in writing.

19 C. The provisions of this Section do not repeal provisions relative to
20 cost-of-living adjustments or permanent benefit increases contained within the
21 individual laws governing the systems listed in Subsection A of this Section.
22 However, the provisions of this Section are to be controlling in case of any
23 conflict with the individual laws.

24 D. The power of the governing authority of a system covered by this
25 Section to provide a cost-of-living adjustment or permanent benefit increase
26 shall be effective in a particular calendar year only if the legislature fails to
27 enact legislation granting a cost-of-living adjustment, unless in the legislation
28 granting the cost-of-living adjustment, the legislature specifically authorized the
29 governing authority to provide an additional cost-of-living adjustment to
30 retirees, beneficiaries, or survivors of retired public employees of that system.

1 E. No governing authority to which this Section applies shall provide a
2 cost-of-living adjustment or permanent benefit increase to any retiree,
3 beneficiary, or survivor during any calendar year prior to the final
4 adjournment of the regular session of the legislature and shall not do so during
5 the same year within which the legislature has granted an increase, unless in the
6 legislation granting the increase, the legislature specifically authorizes the
7 governing body to provide an additional increase to retirees, beneficiaries, and
8 survivors of that system. The restrictions contained in this Subsection shall be
9 inapplicable with respect to any system for which the legislature has failed to
10 grant an increase.

11 F. Disability retirees and surviving children or surviving spouses shall
12 not be subject to the restrictions set forth in this Section.

13 G.(1) Notwithstanding any other provision of law to the contrary, no
14 system covered by this Section shall provide a cost-of-living adjustment or
15 permanent benefit increase during any fiscal year until the lapse of at least
16 one-half of the fiscal year, and unless either the funds for such increase are
17 provided as authorized from a credit balance in that system's funding deposit
18 account or the actuary for the system and the legislative auditor certify that the
19 funded ratio of the system meets the requirements of one or more of the
20 Subparagraphs in Paragraph (3) of this Subsection. If the legislative auditor
21 disagrees with the determination of the system's actuary, the matter shall be
22 determined by majority vote of the Public Retirement Systems' Actuarial
23 Committee.

24 (2) For purposes of this Subsection, a system's "funded ratio" as of any
25 fiscal year end shall be the ratio of the actuarial value of assets to the actuarial
26 accrued liability under the funding method prescribed by the office of the
27 legislative auditor. The actuarial value of assets and actuarial accrued liability
28 for a system shall be those amounts reported to the office of the legislative
29 auditor in the Annual Report for Public Retirement Systems.

30 (3) The governing authority of a system covered by this Subsection may

1 grant a benefit increase to retirees, survivors, and beneficiaries if any of the
2 following apply:

3 (a) The system has a funded ratio of ninety percent or more and has not
4 granted a benefit increase to retirees, survivors, and beneficiaries in the most
5 recent fiscal year.

6 (b) The system has a funded ratio of eighty percent or more and has not
7 granted a benefit increase to retirees, survivors, and beneficiaries in either of
8 the two most recent fiscal years.

9 (c) The system has a funded ratio of seventy percent or more and has not
10 granted a benefit increase to retirees, survivors, and beneficiaries in any of the
11 three most recent fiscal years.

12 * * *

13 §2178. Disability benefits; retirement benefits; death benefits

14 * * *

15 M.(1)(a)(i) * * *

16 (ii) The cost-of-living adjustment shall be payable in a monthly amount not
17 to exceed ~~three~~ **two and one-half** percent of the normal monthly benefit payable to
18 the retiree, disability recipient, or survivor on the date the increase is granted, as
19 provided in Subsection K of this Section, but shall not be less than twenty dollars per
20 month. The dollar amount of such adjustment for any recipient shall not exceed
21 five percent of the average monthly benefit in payment to service retirees as of
22 the end of the preceding fiscal year.

23 * * *

24 (d) The board, in any one fiscal year, may provide a cost-of-living
25 adjustment pursuant to either Subparagraph (a) or (b) of this Paragraph;
26 however, it shall not grant cost-of-living adjustments pursuant to both of these
27 Subparagraphs within the same fiscal year.

28 * * *

29 Section 2. The provisions of this Act shall become effective on June 30, 2013; if
30 vetoed by the governor and subsequently approved by the legislature, this Act shall become

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ENROLLED

1 effective on June 30, 2013, or on the day following such approval by the legislature,
2 whichever is later.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____