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## DIGEST

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HB 48 Engrossed

2015 Regular Session

Thibaut

**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.