

Regular Session, 2014

HOUSE BILL NO. 4

BY REPRESENTATIVES PATRICK WILLIAMS AND DIXON

RETIREMENT/COLAS: Provides a permanent benefit increase to certain retired members and beneficiaries of the Teachers' Retirement System of Louisiana

1 AN ACT

2 To enact R.S. 11:883.4, relative to a permanent benefit increase for certain retirees and
3 beneficiaries of the Teachers' Retirement System of Louisiana; to provide for
4 calculation of the increase; to provide for eligibility for the increase; to provide for
5 funding; to provide an effective date; and to provide for related matters.

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

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:883.4 is hereby enacted to read as follows:

11 §883.4. Permanent benefit increase effective July 1, 2014; payment from experience
12 account

13 A. On July 1, 2014, a permanent benefit increase shall be payable to:

14 (1) Each retiree of the system who, on June 30, 2014, meets all of the
15 following criteria:

16 (a) The retiree has received a benefit for at least one year.

17 (b) The retiree has attained at least age sixty.

18 (2) Each nonretiree beneficiary receiving a benefit on June 30, 2014, who
19 meets all of the following criteria:

1 (a) The deceased member or the beneficiary or both combined have received
2 benefits for at least one year.

3 (b) The deceased member would be at least sixty years of age had he lived.

4 (3) Each disability retiree and each beneficiary who receives a benefit based
5 on the death of a disability retiree who, on June 30, 2014, has received a benefit for
6 at least one year.

7 B.(1) Each person eligible for a benefit increase pursuant to this Section shall
8 have his current monthly retirement benefit increased by one and one half percent.
9 If there are not sufficient funds in the experience account to grant a permanent
10 benefit increase of one and one half percent, then the increase shall equal a percent
11 rounded down to the nearest tenth of a percent that can be paid from the amount in
12 the experience account.

13 (2) Any increase granted pursuant to this Section shall be calculated only on
14 the first ninety-two thousand three hundred sixty-eight dollars of the member's
15 annual benefit.

16 C. The actuarial cost of implementing the provisions of this Section shall be
17 paid from the experience account.

18 D. No further action on the part of the board shall be necessary to grant such
19 increase.

20 E. The increase provided pursuant to this Section shall become effective on
21 July 1, 2014.

22 Section 2. This Act shall become effective on June 30, 2014; if vetoed by the
23 governor and subsequently approved by the legislature, this Act shall become effective on
24 June 30, 2014, or on the day following such approval by the legislature, whichever is later.

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)]

Patrick Williams

HB No. 4

Abstract: Relative to the Teachers' Retirement System of Louisiana (TRSL), grants a 1.5% permanent benefit increase to certain retirees and beneficiaries of the system.

Proposed law relative to the Teachers' Retirement System of Louisiana (TRSL), provides a permanent benefit increase to:

- (1) Any retiree who on June 30, 2014, meets the following criteria:
 - (a) He has received a benefit for at least one year.
 - (b) He is at least 60 years of age.
- (2) Any nonretiree beneficiary of a retiree who would meet the above criteria if the retiree were alive.
- (3) Any disability retiree and any beneficiary of a disability retiree of the system, who on June 30, 2014, has received benefits for at least one year.

Proposed law provides that such increase shall be in the form of an increase to a retiree's or beneficiary's monthly benefit in an amount equal to 1.5% of the benefit. Further provides that if there are not sufficient funds in the experience account to grant a 1.5% increase, then the increase shall equal a percent, rounded down to the nearest tenth, that can be paid from the amount in the experience account. Further provides that the benefit increase shall be calculated only on the first \$92,368 of the retiree's annual benefit.

Proposed law provides that the increase shall become effective on July 1, 2014.

Present law generally provides for an employee experience account from which all TRSL cost-of-living adjustments are payable.

Proposed law provides that funding for the benefit increase payable pursuant to proposed law shall come from the employee experience account. Further provides that no further action on the part of the board of trustees of the system shall be necessary to grant the benefit increase pursuant to proposed law.

Effective June 30, 2014.

(Adds R.S. 11:883.4)