

~ ACTUARIAL COST NOTE ~ ~ REGULAR SESSION 2009 ~

Senate Bill 20; SRS 09RS-197  
**Original**                      **No Amendments**  
**Author: Senator Chaisson**  
**Monday, May 04, 2009**  
**LA # 6.01**  
**DISTRICT ATTORNEYS RETIREMENT SYSTEMS**  
**OR 5yr Ttl \$0**

Preparation of this note was directed by the  
 Actuarial Services Division of this office



**Steve J. Theriot, CPA**  
**Legislative Auditor**

**Bill Header:**

**Provides for the membership of the District Attorneys' Retirement System. (7/1/09)**

**Estimated Fiscal Impact**

| EXPENDITURES        | 2009-10    | 2010-11    | 2011-12    | 2012-13    | 2013-14    | 5 YEAR TOTAL |
|---------------------|------------|------------|------------|------------|------------|--------------|
| State General Fund  | \$0        | \$0        | \$0        | \$0        | \$0        | \$0          |
| Agy Self Generated  | \$0        | \$0        | \$0        | \$0        | \$0        | \$0          |
| Stat Deds/Other     | \$0        | \$0        | \$0        | \$0        | \$0        | \$0          |
| Federal Funds       | \$0        | \$0        | \$0        | \$0        | \$0        | \$0          |
| Local Funds         | \$0        | \$0        | \$0        | \$0        | \$0        | \$0          |
| <b>ANNUAL TOTAL</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b>   |

| REVENUES            | 2009-10    | 2010-11    | 2011-12    | 2012-13    | 2013-14    | 5 YEAR TOTAL |
|---------------------|------------|------------|------------|------------|------------|--------------|
| State General Fund  | \$0        | \$0        | \$0        | \$0        | \$0        | \$0          |
| Agy Self Generated  | \$0        | \$0        | \$0        | \$0        | \$0        | \$0          |
| Stat Deds/Other     | \$0        | \$0        | \$0        | \$0        | \$0        | \$0          |
| Federal Funds       | \$0        | \$0        | \$0        | \$0        | \$0        | \$0          |
| Local Funds         | \$0        | \$0        | \$0        | \$0        | \$0        | \$0          |
| <b>ANNUAL TOTAL</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b>   |

**Purpose:** Repeals R.S. 11:1601(3)(b) which prohibits elected or appointed state or parish officials who have retired from another public retirement system from eligibility as a member of the District Attorneys' Retirement System.

**Bill Provisions:**

Relative to the District Attorneys' Retirement System, amends existing law so as to permit membership by elected or appointed state retired from another public retirement system from eligibility as a member of the District Attorneys' Retirement System.

**Existing Provisions:**

R.S. 11:1601(3)(b): "No elected or appointed official of this state or any parish thereof who has retired from service under any retirement system of this state partly or wholly financed by public funds and who is receiving retirement benefits there from shall be eligible to become a member of this system after retirement except as provided in R.S. 11:1631(F)."

**Related Information:**

R.S. 11:1631(F) states that "...if any member who has retired from this system is re-employed as an employee by any district attorney in the state, his retirement benefit shall be suspended during said employment."

**Actuarial Impact:**

**Actuarial Cost Impact:** The actuarial present value cost of Senate Bill 20 is negligible.

**Potential Actuarial Liability:** The potential actuarial liability of Senate Bill 20 is negligible.

**Actuarial Analysis:** The following assumptions were made in preparing the estimated cost:

1. The value of benefits, earned by an individual obtaining membership rights in the District Attorneys' Retirement System as a result of the enactment of Senate Bill 20, will generally be greater than the value of benefits earned by the average member of the system because that new member is likely to be older than the average member, closer to retirement, and more likely to collect a benefit on the service credits earned. This cost difference cannot be measured with any degree of precision.
2. The number of potential elected or appointed officials of the state or parish who have retired from another state or state-wide system and who will obtain membership status in the District Attorneys' Retirement System is very small, probably 5 or less per year.
3. No employees who gain membership in the District Attorneys' Retirement System as a result of the enactment of Senate Bill 20 will have any prior service for which they will receive credit, either for benefit calculation purposes, for vesting, or for retirement eligibility, upon entry into the System:

**Fiscal Impact:**

This cost for Senate Bill 20 depends upon the age of an individual at hire and whether or not re-hired individuals are subject to state reciprocity statutes. Given the limited number of potential eligible individuals, the overall cost to the system is negligible.