

HOUSE SUMMARY OF SENATE AMENDMENTS

House Bill No. 96 by Representative Pearson

RETIREMENT/STATE-STWIDE: Relative to state and statewide retirement systems, provides for retirement option with guaranteed cost-of-living adjustments subject to an actuarial reduction of benefits

Synopsis of Senate Amendments

1. Provides that the annual 2.5% COLA shall be effective annually on the retirement anniversary date of the retiree rather than July 1.
2. Provides that COLAs granted pursuant to other law are not used in calculating COLAs pursuant to proposed law.

Digest of Bill as Finally Passed by Senate

Proposed law provides that a member of a state or statewide retirement system, upon applying for retirement, may irrevocably elect a retirement payment option whereby his benefit is actuarially reduced, but he shall receive a 2.5% COLA annually on his retirement anniversary date. Such COLA shall only be payable to retirees who are 55 and older.

Proposed law provides that the annual 2.5% compounded COLAs shall not be based on any other COLAs the systems may grant.

Proposed law provides that any retiree who has exercised the option provided by proposed law shall also receive any additional COLA that may be granted by the system's board of trustees pursuant to present law. In such case, the additional COLA shall be based on the retiree's monthly benefit amount as it exists when such COLA is granted.

Proposed law provides relative to the applicability of annual COLAs to DROP accounts. Provides relative payments to spouse beneficiaries. Provides that the annual COLA is not available to disability retirees in LASERS, but is available to disability retirees in other systems upon conversion to a service retirement.

Proposed law provides that any member may request from the system estimates of how much his benefit will be pursuant to proposed law for the 5th, 10th, and 15th year following his retirement, provided he certifies that he is contemplating availing himself of proposed law.

Effective July 1, 2009.

(Adds R.S. 11:247, 446(A)(6), and 783(A)(4))