

Regular Session, 2009

ACT No. 270

HOUSE BILL NO. 96

BY REPRESENTATIVE PEARSON

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

1 AN ACT

2 To enact R.S. 11:247, 446(A)(6), and 783(A)(4), relative to state and statewide retirement
3 systems; to provide relative to cost-of-living adjustments; to permit the selection of
4 a retirement option that would provide for automatic cost-of-living adjustments
5 subject to an actuarial reduction of benefits; 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. 11:247, 446(A)(6), and 783(A)(4) are hereby enacted to read as
11 follows:

12 §247. Automatic cost-of-living adjustments

13 A.(1) Upon application for retirement or participation in the Deferred
14 Retirement Option Plan, any member of a state or statewide retirement system may
15 elect to receive an actuarially reduced retirement allowance plus an annual two and
16 one-half percent cost-of-living adjustment. Such an election shall be irrevocable
17 after the effective date of retirement or after the beginning date of participation in the
18 Deferred Retirement Option Plan. The retirement allowance together with the cost-
19 of-living adjustment shall be certified by the system actuary to be actuarially
20 equivalent to the member's maximum or optional retirement allowance and shall be
21 approved by the system's board of trustees.

1 (2) The annual cost-of-living adjustment of such retirees shall be based on
2 the retirement allowance received pursuant to the retirement plan option selected by
3 the member and the monthly benefit being paid pursuant thereto on the effective date
4 of the increase, inclusive of cost-of-living adjustments paid pursuant to this Section,
5 but exclusive of cost-of-living adjustments paid pursuant to any other provision of
6 law.

7 (3)(a) The annual cost-of-living adjustment of any Deferred Retirement
8 Option Plan participant shall be credited to the participant's Deferred Retirement
9 Option Plan subaccount during the participation period.

10 (b) Following participation in the Deferred Retirement Option Plan, the
11 annual cost-of-living adjustment shall be applied to the monthly benefit allowance
12 amount determined by the retirement plan option selected, inclusive of cost-of-living
13 adjustments paid pursuant to this Section, but exclusive of cost-of-living adjustments
14 paid pursuant to any other provision of law. The monthly benefit allowance upon
15 retirement shall reflect the annual benefit adjustments set forth in this Paragraph.

16 (c) Upon retirement of a Deferred Retirement Option Plan participant, the
17 annual cost-of-living adjustment shall also be applied to any supplemental benefit
18 earned after the participation period in accordance with applicable law.

19 (d) The provisions of this Section shall not apply to any participant in a
20 Back-Deferred Retirement Option Plan or Program.

21 (4) If a retiree or Deferred Retirement Option Plan participant has chosen an
22 optional retirement allowance wherein a spouse who has been designated as
23 beneficiary will receive a continuing benefit upon the retiree's or Deferred
24 Retirement Option Plan participant's death, the spouse's cost-of-living adjustment
25 shall be payable based on the spouse's allowance on the effective date of the
26 increase.

27 B. The annual cost-of-living adjustment authorized by Subsection A of this
28 Section shall be effective annually on the retirement anniversary date of the retiree
29 and shall be payable to any retiree who is age fifty-five or older and not before the

