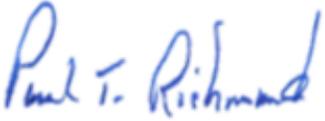


**2012 REGULAR SESSION  
ACTUARIAL NOTE SB 11**

<p><b>Senate Bill 11 SLS 12RS-149 Engrossed</b></p> <p><b>Author: Senator Elbert L. Guillory Date: March 28, 2012</b></p> <p><b>LLA Note SB 11.02</b></p> <p><b>Organizations Affected: Parochial Employees' Retirement System (PERS)</b></p> <p><b>EG NO IMPACT APV</b></p>	<p>The Note was prepared by the Actuarial Services Department of the Office of the Legislative Auditor.</p> <div style="text-align: center;">  <p><b>Paul T. Richmond, ASA, MAAA, EA Manager Actuarial Services</b></p> </div>
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**Bill Header:** PAROCHIAL EMPLOYEES RET. Provides for definition of terms. (7/1/12)

**Cost Summary:**

Actuarial Cost/(Savings) to Retirement Systems and OGB	\$0
Total Five Year Fiscal Cost	
Expenditures	\$0
Revenues	\$0

**Estimated Actuarial Impact:**

The chart below shows the estimated increase/(decrease) in the actuarial value of benefits, if any, attributable to the proposed legislation. Note: it includes the present value cost of fiscal costs associated with benefit changes. It does **not** include present value costs associated with administrative or other fiscal concerns.

<b><u>Actuarial Cost (Savings) to:</u></b>	<b><u>Increase (Decrease) in The Actuarial Present Value</u></b>
All Louisiana Public Retirement Systems	\$0
Other Post Retirement Benefits	\$0
Total	\$0

**Estimated Fiscal Impact:**

The chart below shows the estimated fiscal impact of the proposed legislation. This represents the effect on cash flows for government entities including the retirement systems and the Office of Group Benefits.

<b>EXPENDITURES</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-2017</b>	<b>5 Year Total</b>
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
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

<b>REVENUES</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-2017</b>	<b>5 Year Total</b>
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
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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**Bill Information:**

**Current Law**

Current law provides benefit structures for members hired prior to January 1, 2007, and for members hired on or after January 1, 2007, within the Parochial Employees' Retirement System.

**Proposed Law**

Proposed law specifies that "Tier 1" shall define the benefit structure applicable to those members hired prior to January 1, 2007, and "Tier 2" shall define the benefit structure applicable to those members hired on or after January 1, 2007.

**Implications of the Proposed Changes**

The proposed legislation simply provides definitions for the two tiers of benefits that the system currently has in place.

**Cost Analysis:**

**Analysis of Actuarial Costs**

**Retirement Systems**

There is no actuarial cost associated with SB 11.

**Other Post Retirement Benefits**

There is no actuarial cost associated with SB 11 for post-retirement benefits.

**Analysis of Fiscal Costs**

There are no fiscal costs associated with SB 11.

**Actuarial Credentials:**

Paul T. Richmond is the Manager of Actuarial Services for the Louisiana Legislative Auditor. He is an Enrolled Actuary, a member of the American Academy of Actuaries, a member of the Society of Actuaries and has met the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinion contained herein.

**Dual Referral:**

**Senate**

13.5.1 ≥ \$100,000 Annual Fiscal Cost

13.5.2 ≥ \$100,000 Annual Tax or Fee Change

**House**

6.8(F) ≥ \$100,000 Annual Fiscal Cost

6.8(G) ≥ \$100,000 Tax or Fee Increase or a Net Fee Decrease