


**2012 REGULAR SESSION
ACTUARIAL NOTE SB 21**

<p>Senate Bill 21 SLS 12RS-172 Engrossed with Senate Retirement Committee Amendment #1236</p> <p>Author: Senator Elbert L. Guillory Date: March 28, 2012</p> <p>LLA Note SB 21.02</p> <p>Organizations Affected: House Retirement Committee Senate Retirement Committee</p> <p>EG INCREASE FC GF EX</p>	<p>The Note was prepared by the Actuarial Services Department of the Office of the Legislative Auditor.</p> <div style="text-align: center;">  Paul T. Richmond, ASA, MAAA, EA Manager Actuarial Services </div>
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Bill Header: LEGIS POWERS/FUNCTIONS. Provides for pre-filing and notice deadlines for bills affecting public retirement systems.

Cost Summary:

Actuarial Cost/(Savings) to Retirement Systems and OGB	\$0
Total Five Year Fiscal Cost	
Expenditures	Increase
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 administration or other fiscal concerns.

<u>Actuarial Cost (Savings) to:</u>	<u>Increase (Decrease) in The Actuarial Present Value</u>
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.

EXPENDITURES	2012-13	2013-14	2014-15	2015-16	2016-2017	5 Year Total
State General Fund	Increase	\$ 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	Increase	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

REVENUES	2012-13	2013-14	2014-15	2015-16	2016-2017	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
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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Bill Information:

Current Law

The Constitution currently requires the following:

1. All proposed legislation, including legislation relative to *public retirement systems*, must be prefiled no later than five o'clock in the evening of the **10th** calendar day prior to the first day of a regular session.
2. A public notice must be published announcing an intention to introduce legislation that will affect *public retirement systems*. Such notice must be published at least **30** days prior to introduction of the bill.

House and Senate Rules currently require proposed legislation relative to *public retirement systems* to be prefiled no later than five o'clock in the evening of the forty-fifth day prior to the first day of a regular session. House and Senate Rules are currently more restrictive than the Constitution requires.

Proposed Law

SB 21 will place before voters a proposed change to the Constitution. If SB 21 is enacted and voters ratify the proposed changes, then:

The Constitution will require the following:

1. All proposed legislation relative to *public retirement systems* must be prefiled no later than five o'clock in the evening of the **45th** calendar day prior to the first day of a regular session.
2. A public notice must be published announcing an intention to introduce legislation that will affect *public retirement systems*. Such notice must be published at least **60** days prior to introduction of the bill.

Implications of the Proposed Changes

The proposed change will give legislators and staff more time to draft, analyze, and consider the implications of proposed legislation relative to public retirement systems..

Cost Analysis:

Analysis of Actuarial Costs

Retirement Systems

There are no actuarial costs associated with SB 21 for the retirement systems

Other Post Retirement Benefits

There are no actuarial costs associated with SB 21 for the post-retirement benefits other than pensions.

Analysis of Fiscal Costs

There will be a fiscal cost in FY 2013 to the extent there is a cost to place the constitutional amendment on the ballot for approval by the voters.

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 \geq \$100,000 Annual Fiscal Cost
- 13.5.2 \geq \$500,000 Annual Tax or Fee Change

House

- 6.8(F)(1) \geq \$500,000 Annual Fiscal Cost
- 6.8(F)(2) \geq \$100,000 Annual SGF Fiscal Cost
- 6.8(G) \geq \$500,000 Annual Tax or Fee Change