
DIGEST

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HB 22 Engrossed

2026 Regular Session

Bacala

Abstract: Provides relative to cost-of-living adjustments and calculation of employer contributions for the Clerks' of Court Retirement and Relief Fund.

Present law authorizes certain statewide retirement systems including the Clerks' of Court Retirement and Relief Fund (Clerks) to grant adjustments in monthly benefits, commonly called cost-of-living adjustments (COLAs), to retirees and other beneficiaries. Provides for eligibility, timing, and the amount of the COLA. Limits the authority to grant a COLA based on the funding percentage of the system and the time the last COLA was granted.

Present law, applicable to certain statewide systems, authorizes the Clerks board of trustees to set an employer contribution rate above the actuarially required contribution rate calculated in accordance with present law. Allows the board to set a rate between the current rate and the actuarially required minimum rate. Allows the board to set the rate up to 3% higher than the actuarially required rate.

Present law, applicable to certain statewide systems including Clerks, provides for a funding deposit account (FDA) for accumulation of the additional employer contributions collected as a result of the board setting an employer contribution rate above the actuarially required rate. Specifies the purposes for which the money in the FDA may be used, one of which is providing COLAs.

Proposed law retains present law.

Present law authorizes the Clerks board of trustees to grant a COLA to eligible benefit recipients who have been retired at least one full year. Limits the COLA to the lesser of 2.5% or \$40 per month.

Proposed law specifies that all retirees, beneficiaries, and survivors are eligible to receive COLAs. Requires the FDA to be the source of funding.

Proposed law increases the maximum COLA to 3% and removes the \$40 per month cap.

Proposed law provides that the COLA begins on a date as determined by the board of trustees following board approval of the actuarial valuation and subsequent adoption by the Public Retirement Systems' Actuarial Committee (PRSAC).

Present law limits the authority of certain statewide system boards to grant a COLA based on the

funding level and date of the most recent COLA. A board may grant a COLA if the system is:

- (1) At least 90% funded and no COLA was granted in the most recent fiscal year.
- (2) At least 80% funded and no COLA was granted in either of the two most recent fiscal years.
- (3) At least 70% funded and no COLA was granted in any of the three most recent fiscal years.

Proposed law retains present law and authorizes the Clerks board to grant a COLA in any fiscal year in which the system is at least 100% funded. Specifies that the funded ratio as of any fiscal year end shall be defined as the ratio of the actuarial value of assets to the level percentage of payroll entry age normal actuarial accrued liability.

Present law provides that, unless the legislature or the system board specifies otherwise, a COLA shall be an increase in the monthly benefit of each recipient in the dollar amount equal to:

- (1) The total of number of years of credited service accrued at retirement or at the death of the member or retiree.
- (2) The number of years since retirement or since the death of the member or retiree.

Present law provides that if there are not sufficient funds to fund the benefit at the rate of \$1 per year for the total number of years, then the rate shall be reduced in proportion to the amount of funds that are available in the FDA to fund the COLA.

Proposed law allows the Clerks board to grant a COLA of a dollar amount based on the years of service and the years since the benefit payments began. Allows the board to use more than \$1 as the multiplier and to have different multipliers. Limits the selection of multiples used in the calculation by prohibiting the total actuarial present value of an increase under proposed law from exceeding the actuarial present value of a COLA that increases each recipient's benefit by 3%.

Proposed law otherwise retains present law.

Present law, applicable to certain statewide systems including Clerks, authorizes the board of trustees to use excess investment income to provide a supplemental COLA equal to 2% of the original benefit to all retirees and beneficiaries who are 65 years of age or older. Limits the authority to years in which the actuarial rate of return exceeds the valuation interest rate.

Present law governing the FDA allows FDA money to be used to fund any COLA otherwise authorized by law.

Proposed law authorizes the Clerks board to grant a COLA of up to 2% of the current benefit to recipients who are 65 years of age or over funded by money in the FDA. Specifies that this may be in addition to any other COLA granted.

Proposed law otherwise retains present law.

Present law provides relative to the authority of the board of trustees to grant a COLA in a year in which the legislature fails to enact legislation granting a COLA.

Present law prohibits the governing authority from granting a COLA during any calendar year prior to the final adjournment of the regular session of the legislature.

Present law provides that a COLA cannot be granted until a lapse of at least one-half of the fiscal year and the funded ratio of the previous fiscal year exceeds the target ratio defined in present law.

Proposed law removes the limitations of present law for Clerks.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 11:1549; Adds R.S. 11:1550; Repeals R.S. 11:105(A)(2), 106(A)(2), 107(A)(2), 107.1(A)(2), 242(B)(2), 243(A)(2), and 246(A)(2))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Retirement to the original bill:

1. Change when a cost-of-living adjustment begins to a date determined by the board of trustees.