



OFFICE OF LEGISLATIVE AUDITOR
2026 REGULAR SESSION
ACTUARIAL NOTE

House Bill 35 SLS 26RS-311	Date: March 23, 2026
Engrossed	Organizations Affected: SPRF
Author: Wiley	
LLA Note HB 35.02	EG NO IMPACT APV

Bill Header: RETIREMENT/SHERIFFS FUND: Provides relative to employer contribution for the Sheriffs' Pension and Relief Fund

Purpose of Bill: Proposed law will allow, but not require, the Sheriffs' Pension and Relief Fund’s (SPRF) board of trustees to set the actual employer contribution rate up to three percent higher than the minimum required employer contribution rate.

In any year in which the minimum required employer contribution rate is less than the actual employer contribution rate from the prior year, present law allows the board of trustees to set the actual rate for the current year at any point between these two numbers. Proposed law would allow the board to set the actual rate up to three percent higher than the minimum rate, regardless of the difference between the current rate and the actual rate from the prior year.

I. ACTUARIAL IMPACT ON RETIREMENT SYSTEMS

This section of the actuarial note is intended to provide a brief outline of the changes in plan provisions and actuarial effect on key aspects of the affected retirement systems.

Proposed law is not expected to have an immediate impact on the actuarial present value of expected future benefits and administrative expenses incurred by the retirement system. Over the long-term, proposed law could increase actuarial present value of expected future benefits because when the actual employer contribution rate is held higher than the required rate, the additional funds are deposited to the funding deposit account (FDA). One of the uses of the funds in the FDA are to pay permanent benefit increases (PBIs), so increased funding to the FDA could result in more frequent and/or larger PBIs in the future. However, by design using FDA funds to pre-fund PBIs means there will not be an increase in contributions due to the increase in benefits.

II. FISCAL IMPACT ON RETIREMENT SYSTEMS

This section of the actuarial note pertains to annual fiscal costs (savings) associated with the retirement systems.

Fiscal costs or savings include only cash flows to or from the affected retirement system (e.g. administrative expenses incurred by, benefit payments from, or contributions to the retirement system) and do not include administrative expenditures and revenues specifically incurred by the state or local government entities associated with implementing the legislation. A fiscal cost is denoted by “Increase” or a positive number. Fiscal savings are denoted by “Decrease” or a negative number. A revenue increase is denoted by “Increase” or a positive number. A revenue decrease is denoted by “Decrease” or a negative number.

Table A: Retirement System Fiscal Cost

Expenditures	2026-27	2027-28	2028-29	2029-30	2030-31	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	See Below	See Below	See Below	See Below	See Below	See Below
Annual Total	See Below	See Below	See Below	See Below	See Below	See Below

Revenues	2026-27	2027-28	2028-29	2029-30	2030-31	5-Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self-Generated	See Below	See Below	See Below	See Below	See Below	See Below
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	See Below	See Below	See Below	See Below	See Below	See Below

Changes in employer contributions are reflected in the State General Fund and/or Local Fund expenditure lines above. The actual sources of funding (e.g., Federal Funds, State General Fund, etc.) may vary by employer and are not differentiated in the table.

The proposed legislation is expected to have the following effects on retirement related fiscal costs and revenues during the five-year measurement period.

1. Expenditures:

While it is possible employer contributions (Local Funds) could increase as a result of proposed law; proposed law is only providing an option, not requiring, the actual contribution be 3% higher. Further, the minimum required contribution rate for Fiscal 2027 is 3.75% less than the actual contribution rate for Fiscal 2026, so the board is currently permitted to set the actual contribution rate more than 3% higher the required rate under present law, for the near term.

This Note has been prepared by the Actuary for the Louisiana Legislative Auditor (LLA) with assistance from either the Fiscal Notes staff of the Legislative Auditor or staff of the Legislative Fiscal Office (LFO). The attachment of this Note provides compliance with the requirements of R.S. 24:521 as amended by Act 353 of the 2016 Regular Session.	 Kenneth J. “Kenny” Herbold, ASA, EA, MAAA Director of Actuarial Services Louisiana Legislative Auditor
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2. Revenues:

Changes in retirement contributions identified as changes in expenditures have corresponding changes in Agy Self-Generated revenues.

III. FISCAL IMPACT ON LOCAL GOVERNMENT ENTITIES

This section of the actuarial note pertains to annual fiscal costs (savings) related to administrative expenditures and revenue impacts incurred by local government entities other than those included in Section II.

The proposed legislation is not expected to have any additional effects on fiscal administrative costs and revenues related to local government entities during the five-year measurement period, other than those outlined above.

**IV. FISCAL IMPACT ON STATE GOVERNMENT ENTITIES
(Prepared by Legislative Fiscal Office)**

This section of the actuarial note pertains to annual fiscal costs (savings) related to administrative expenditures and revenue impacts incurred by state government entities other than those included in Section II.

N/A - This bill only impacts local government, and therefore, has no state impact. The LFO does not review local government bills.

V. ACTUARIAL DISCLOSURES

Intended Use

This actuarial note is based on our understanding of the bill as of the date shown above. It is intended to be used by the legislature during the current legislative session only and assumes no other legislative changes affecting the funding or benefits of the affected systems, other than those identified, will be adopted. Other readers of this actuarial note are advised to seek professional guidance as to its content and interpretation, and not to rely upon this communication without such guidance. The actuarial note, and any referenced documents, should be read as a whole. Distribution of, or reliance on, only parts of this actuarial note could result in its misuse and may mislead others. The summary of the impact of the bill included in this actuarial note is for the purposes of an actuarial analysis only, as required by La. R.S. 24:521, and is not a legal interpretation of the provisions of the bill.

Actuarial Data, Methods and Assumptions

Unless indicated otherwise, this actuarial note was prepared using actuarial data, methods, and assumptions as disclosed in the most recent actuarial valuation report adopted by the Public Retirement Systems' Actuarial Committee (PRSAC). The assumptions and methods are reasonable for the purpose of this analysis.

Conflict of Interest

There is nothing in the proposed legislation that will compromise the signing actuary's ability to present an unbiased statement of actuarial opinion.

Risks Associated with Measuring Costs

This actuarial note is an actuarial communication and is required to include certain disclosures in compliance with Actuarial Standards of Practice (ASOP) No. 51. Risk disclosures otherwise required by ASOP No. 51 do not apply to this actuarial note because the proposed bill does not significantly change the types or levels of risks of the retirement system.

Certification

Kenneth J. Herbold is an Associate of the Society of Actuaries (ASA), a Member of the American Academy of Actuaries (MAAA), and an Enrolled Actuary (EA) under the Employees Retirement Income Security Act of 1974. Mr. Herbold meets the US Qualification Standards necessary to render the actuarial opinion contained herein.

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VI. LEGISLATIVE PROCEDURAL ITEMS

Information Pertaining to La. Const. Art. X, §29(F)

- ☐ This bill contains a retirement system benefit provision having an actuarial cost.
- No member of a retirement system, or their beneficiary, would receive a larger benefit with the enactment of this bill than what they would have received without this bill.

Dual Referral Relative to Total Fiscal Costs or Total Cash Flows:

The information presented below is based on information contained in Sections II, III, and IV for the first three years following the 2026 Regular Session.

Senate

- ☐ 13.5.1 Applies to Senate or House Instruments
If an annual fiscal cost $\geq$ \$100,000, then bill is dual referred to:
Dual Referral: Senate Finance
- ☐ 13.5.2 Applies to Senate or House Instruments
If an annual tax or fee change $\geq$ \$500,000, then bill is dual referred to:
Dual Referral: Revenue and Fiscal Affairs

House

- ☐ 6.8F Applies to Senate or House Instruments
If an annual General Fund fiscal cost $\geq$ \$100,000, then bill is dual referred to:
Dual Referral: Appropriations
- ☐ 6.8G Applies to Senate Instruments only
If a net fee decrease occurs or is an increase in annual fees and taxes $\geq$ \$500,000, then bill is dual referred to:
Dual Referral: Ways and Means