

ACT No. 279

2026 Regular Session

HOUSE BILL NO. 22

BY REPRESENTATIVE BACALA

1 AN ACT

2 To amend and reenact R.S. 11:1549, to enact R.S. 11:1550, and to repeal R.S. 11:105(A)(2),
3 106(A)(2), 107(A)(2), 107.1(A)(2), 242(B)(2), 243(A)(2), and 246(A)(2), relative
4 to the Clerks' of Court Retirement and Relief Fund; to provide relative to cost-of-
5 living adjustments; to provide for calculation of the amount of the adjustment; to
6 provide relative to the authority of the board of trustees to grant an adjustment; to
7 provide for the funding deposit account; to provide for employer contributions; and
8 to provide for related matters.

9 Notice of intention to introduce this Act has been published
10 as provided by Article X, Section 29(C) of the Constitution
11 of Louisiana.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 11:1549 is hereby amended and reenacted and R.S. 11:1550 is hereby
14 enacted to read as follows:

15 §1549. Cost-of-living adjustments

16 A. ~~The~~ Subject to the limitations of this Section, the board of trustees may,
17 upon majority vote of the board, use funds in the funding deposit account to grant or
18 provide a cost-of-living adjustment to ~~retired members who have been retired~~
19 retirees, beneficiaries, and survivors if benefits have been paid on the retiree's or
20 member's record for at least one full calendar year as provided for in Subsection D,
21 ~~but only in the event that:~~ year. Cost-of-living adjustments shall be paid in such a
22 manner and in such amount as determined by the board of trustees, based on funds
23 available, and the board of trustees may set a maximum amount of such adjustments.
24 Any cost-of-living adjustment provided by the board in accordance with this Section
25 shall begin on a date to be determined by the board following the approval of the

1 most recent actuarial valuation by the board of trustees and adoption by the Public
 2 Retirement Systems' Actuarial Committee.

3 ~~(1) At the end of the system's current fiscal year the funded ratio of the~~
 4 ~~system, as of the end of the previous fiscal year, equals or exceeds the target ratio as~~
 5 ~~of that date for the system, and~~

6 ~~(2) The level of the Consumer Price Index for All Urban Consumers (CPI-U)~~
 7 ~~for the current fiscal year is at least three percent higher than the level of the CPI-U~~
 8 ~~for the fiscal year in which the last cost-of-living adjustment was granted.~~

9 B. As used in this Section, the "funded ratio" as of any fiscal year end shall
 10 be defined as the ratio of the actuarial value of assets to the level percentage of
 11 payroll entry age normal actuarial accrued liability ~~under the funding method~~
 12 ~~prescribed by the office of the legislative auditor. The actuarial value of assets and~~
 13 ~~actuarial accrued liability for the system shall be those amounts reported to the office~~
 14 ~~of the legislative auditor in the Annual Report for Public Retirement Systems.~~

15 C. As used in this Section, the "target ratio" as of any fiscal year end shall
 16 be defined as the lesser of (1) or (2) below:

17 (1) The board may grant a cost-of-living adjustment in any fiscal year in
 18 which the system has a funded ratio of at least ~~One~~ one hundred percent.

19 (2) ~~The sum of (a), (b), (c), and (d) below:~~

20 (a) ~~The funded ratio as of the 1986 Fiscal Year end.~~

21 (b) ~~The number of fiscal years elapsed since the 1986 Fiscal Year end~~
 22 ~~multiplied by one-thirtieth of the difference between one hundred percent and the~~
 23 ~~funded ratio of the system as of the 1986 Fiscal Year end.~~

24 (c) ~~The amount of each change in funded ratio due to mergers or changes in~~
 25 ~~actuarial methods or assumptions occurring after the 1986 Fiscal Year end.~~

26 (d) ~~For each change in funded ratio due to mergers or changes in actuarial~~
 27 ~~methods or assumptions occurring after the 1986 Fiscal Year end, an amount of~~
 28 ~~opposite arithmetic sign from such change in funded ratio equal in absolute value to~~
 29 ~~the number of fiscal years since the change in funded ratio multiplied by one-thirtieth~~
 30 ~~of the original change in funded ratio due to the merger or change in actuarial~~

1 ~~methods or assumptions.~~ If the system has a funded ratio of less than one hundred
 2 percent, the board may grant a cost-of-living adjustment if:

3 (a) The system has a funded ratio of at least ninety percent and the board has
 4 not granted a cost-of-living adjustment in the most recent fiscal year.

5 (b) The system has a funded ratio of at least eighty percent and the board has
 6 not granted a cost-of-living adjustment in either of the two most recent fiscal years.

7 (c) The system has a funded ratio of at least seventy percent and the board
 8 has not granted a cost-of-living adjustment in any of the three most recent fiscal
 9 years.

10 (3) For purposes of determining the system's funded ratio pursuant to this
 11 Subsection, the actuarial value of assets shall be reduced by the actuarial present
 12 value of the cost-of-living adjustment.

13 ~~D. Any cost-of-living adjustment granted by the board of trustees shall not~~
 14 ~~exceed the lesser of:~~

15 ~~(1) An increase in benefits of two and one-half percent per year for each full~~
 16 ~~calendar year of retirement.~~

17 ~~(2) An increase in benefits of forty dollars per month in any one year. If~~
 18 ~~authorized pursuant to Subsection C of this Section, the board of trustees may do one~~
 19 ~~of the following:~~

20 (1) Grant a cost-of-living adjustment in benefits to eligible retirees,
 21 beneficiaries, and survivors in an amount not to exceed three percent of the current
 22 benefit.

23 (2) Grant a cost-of-living adjustment that is a monthly increase of the benefit
 24 of each recipient in a dollar amount that is a multiple or a fraction of the number of
 25 years of credited service accrued at retirement of the retiree or at death of the
 26 member plus a multiple or a fraction of the number of years since retirement of the
 27 retiree or since death of the member to the effective date of the adjustment. The total
 28 actuarial present value of a cost-of-living adjustment granted in accordance with this
 29 Paragraph shall not exceed the actuarial present value of a cost-of-living adjustment
 30 granted pursuant to Paragraph (1) of this Subsection.

1 E. The board may grant a cost-of-living adjustment of up to two percent of
2 the current benefit to all eligible retirees, beneficiaries, and survivors who are sixty-
3 five years of age or over. The increase granted pursuant to this Subsection may be
4 in addition to any other cost-of-living adjustment granted by the board.

5 §1550. Employer contributions; funding deposit account

6 A. Notwithstanding any provision of law to the contrary, the board of
7 trustees may:

8 (1) In any fiscal year during which the net direct employer contribution rate
9 would otherwise be decreased, require an employer contribution rate equal to the
10 previous year's employer contribution rate or a rate lower than the previous year's
11 employer contribution rate if the lower rate is not less than the employer contribution
12 rate calculated in accordance with the provisions of R.S. 11:103.

13 (2) Require an employer contribution rate of up to three percent more than
14 the rate determined pursuant to R.S. 11:103.

15 B. The funding deposit account established by Act No. 296 of the 2009
16 Regular Session of the Legislature is continued. All surplus funds collected by the
17 system in any year in which the board exercises the authority provided in Subsection
18 A of this Section shall be credited to the system's funding deposit account.

19 C. The funds in the account shall earn interest annually at the
20 board-approved actuarial valuation interest rate, and such interest shall be credited
21 to the account once a year.

22 D.(1) Notwithstanding any provision of law to the contrary, the board of
23 trustees may in any fiscal year direct that funds from the account be charged for only
24 the following purposes:

25 (a) To reduce the frozen unfunded accrued liability.

26 (b) To reduce the present value of future normal costs.

27 (c) To pay all or a portion of any future net direct employer contributions.

28 (d) To provide for cost-of-living adjustments, in accordance with applicable
29 law.

1 (2) In no event shall the funds charged from the account exceed the
2 outstanding account balance.

3 (3) If the board of trustees elects to charge funds from the funding deposit
4 account pursuant to Subparagraph (1)(c) of this Subsection, the percent reduction in
5 the minimum recommended employer contribution rate otherwise applicable shall
6 be determined by dividing the interest-adjusted value of the charges from the funding
7 deposit account by the projected payroll for the fiscal year for which the contribution
8 rate is to be reduced.

9 (4) The balance in the funding deposit account shall be excluded from the
10 assets used in the calculation of the employer contribution rate pursuant to R.S.
11 11:103.

12 (5) For all purposes other than funding, the funds in the account shall be
13 considered assets of the system.

14 Section 2. R.S. 11:105(A)(2), 106(A)(2), 107(A)(2), 107.1(A)(2), 242(B)(2),
15 243(A)(2), and 246(A)(2) are hereby repealed in their entirety.

16 Section 3. This Act shall become effective upon signature by the governor or, if not
17 signed by the governor, upon expiration of the time for bills to become law without signature
18 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
19 vetoed by the governor and subsequently approved by the legislature, this Act shall become
20 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____