

2022 Regular Session

SENATE BILL NO. 7

BY SENATORS PRICE, ROBERT MILLS, PEACOCK AND TALBOT AND REPRESENTATIVE LARVADAIN

STATE POLICE RETIREMENT. Grants a permanent benefit increase to system retirees and beneficiaries. (2/3 - CA10s29(F)) (6/30/22)

1 AN ACT

2 To provide a permanent benefit increase to retirees and beneficiaries of the Louisiana State  
3 Police Retirement System; to authorize payments funded by the retirement system's  
4 experience account; to provide for qualifications for receipt of such payments; to  
5 provide relative to the amount of such payments; to provide for an effective date; and  
6 to provide for related matters.

7 Notice of intention to introduce this Act has been published.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. The legislature finds that the experience account of the  
10 Louisiana State Police Retirement System was created for the purpose of  
11 accumulating money sufficient to provide actuarial funding of permanent  
12 post-retirement benefit increases for certain retirees and beneficiaries of the  
13 system. The legislature further finds that the experience account is credited with  
14 a portion of the system's investment gain in excess of certain thresholds and  
15 with interest on funds in the account; provided, however, that the amount in the  
16 experience account shall in no event exceed the reserve necessary to grant one  
17 permanent benefit increase until the system is at least eighty percent funded.

1           Section 2. (A) The legislature finds that permanent benefit increases  
2           funded by the experience account monies are payable to regular retirees who  
3           have been retired for at least one year and who have attained the age of sixty  
4           years; to disability retirees who have been retired at least one year regardless  
5           of age; to beneficiaries of retirees who would have met the applicable criteria  
6           to receive the increase if they had survived; and to nonretiree beneficiaries who  
7           have been receiving benefits for at least a year and whose benefits are derived  
8           from service of deceased members who would have attained age sixty. The  
9           legislature further finds that any increase payable in 2022 shall be calculated on  
10           an amount not to exceed sixty-eight thousand three hundred twelve dollars of  
11           a retirement benefit.

12           (B) Additionally, the legislature finds that supplemental permanent  
13           benefit increases funded by the experience account monies are payable to  
14           retirees who have attained the age of sixty-five years and who retired on or  
15           before June 30, 2001. The legislature further finds that any increase payable in  
16           2022 shall be calculated on an amount not to exceed sixty-eight thousand three  
17           hundred twelve dollars of a retirement benefit.

18           Section 3. The legislature finds that, in accordance with the provisions  
19           of R.S. 11:1332, the board of trustees of the Louisiana State Police Retirement  
20           System is expected to send a resolution recommending to the president of the  
21           Senate and the speaker of the House of Representatives that the legislature  
22           grant a permanent benefit increase to the eligible retirees and beneficiaries of  
23           the system in accordance with the provisions of R.S. 11:1332 and Article X,  
24           Section 29(F) of the Constitution of Louisiana.

25           Section 4. The legislature finds that the resolution presented to the  
26           presiding officers of the legislature is expected to contain a recitation of the  
27           statutorily required conditions and specification of the satisfaction of each as  
28           follows:

29           (A) For the plan year that ended June 30, 2021, the Louisiana State

1 Police Retirement System earned an actuarial rate of return of eleven and  
2 thirty-eight one-hundredths percent, which exceeded the board-approved  
3 actuarial valuation rate of seven percent, and was seventy-four and fifty-four  
4 one-hundredths percent funded.

5 (B) For any year in which the system's rate of return is at least seven  
6 percent, R.S. 11:1332(C) provides that if the system is at least sixty-five percent  
7 funded but less than seventy-five percent funded and the legislature has not  
8 granted a benefit increase in the preceding year, a permanent benefit increase  
9 shall not exceed the lesser of two percent or the increase in the Consumer Price  
10 Index, U.S. city average for all urban consumers, as prepared by the U.S.  
11 Department of Labor, Bureau of Labor Statistics, for the twelve-month period  
12 ending on the system's valuation date preceding the increase.

13 (C) The Consumer Price Index for All Urban Consumers, U.S. city  
14 average for all items as prepared by the U.S. Department of Labor, Bureau of  
15 Labor Statistics for the twelve-month period ending June 30, 2021, is five and  
16 four-tenths percent, which is greater than two percent.

17 Section 5. The system actuary has determined that the actuarial liability  
18 created by providing a permanent benefit increase of two percent and a  
19 supplemental increase of two percent is approximately nine million four  
20 hundred ninety-seven thousand dollars. The system actuary computed the  
21 balance in the experience account to be over nine million four hundred  
22 ninety-seven thousand dollars, an amount sufficient to fund the increases.

23 Section 6. The legislative auditor has confirmed that the legislative  
24 auditor's actuary is in the process of determining whether he agrees with the  
25 determinations of the system actuary.

26 Section 7. (A) Contingent upon satisfaction of all necessary conditions  
27 contained in R.S. 11:1332(D), an amount not to exceed sixty-eight thousand  
28 three hundred twelve dollars of the current benefit of each retiree and  
29 beneficiary of the Louisiana State Police Retirement System who meets the

1 eligibility criteria contained in the statute and recited in this Act shall be  
 2 increased by two percent effective July 1, 2022.

3 (B) Contingent upon satisfaction of all necessary conditions contained in  
 4 R.S. 11:1332(F), an amount not to exceed sixty-eight thousand three hundred  
 5 twelve dollars of the current benefit of each retiree and beneficiary of the  
 6 Louisiana State Police Retirement System who meets the eligibility criteria for  
 7 a supplemental increase contained in the statute and recited in this Act shall be  
 8 increased by an additional two percent effective July 1, 2022.

9 Section 8. The cost of this Act shall be funded with monies from the system's  
 10 experience account. Any additional cost of this Act shall be funded with additional employer  
 11 contributions in compliance with Article X, Section 29(F) of the Louisiana Constitution.

12 Section 9. This Act shall become effective on June 30, 2022; if vetoed by the  
 13 governor and subsequently approved by the legislature, this Act shall become effective on  
 14 June 30, 2022, or on the day following such approval by the legislature, whichever is later.

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The original instrument was prepared by Angela Lockett-De Jean. The following digest, which does not constitute a part of the legislative instrument, was prepared by LG Sullivan.

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	DIGEST	
SB 7 Engrossed	2022 Regular Session	Price

Present law (R.S. 11:1332), relative to the La. State Police Retirement System (Troopers), provides for accumulation of money in an experience account for the purpose of funding increases in benefit payments to eligible recipients. Provides for determination of whether an increase is payable, the amount of the increase, and the eligibility criteria for receiving the increase.

Proposed law, pursuant to the provisions of present law, grants a 2% benefit increase on the first \$68,312 of the annual benefit to each:

- (1) Regular retiree who has been retired for at least one year and is at least age 60.
- (2) Disability retiree who has been retired at least one year regardless of age.
- (3) Beneficiary of a retiree who would have met the eligibility criteria if the retiree were alive.
- (4) Nonretiree beneficiary who has been receiving benefits for at least a year and whose benefits are derived from service of a deceased member who would have attained age 60.

Proposed law, pursuant to the provisions of present law, also grants a 2% supplemental benefit increase on the first \$68,312 of the annual benefit to each retiree who has attained

the age of 65 years and who retired on or before June 30, 2001.

Proposed law provides for the increase to be payable July 1, 2022.

Effective June 30, 2022.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Retirement to the  
original bill

1. Make technical corrections