
DIGEST

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HB 47 Original

2026 Regular Session

Berault

Abstract: Provides relative to cost-of-living increases for the Assessors' Retirement Fund.

Present law authorizes certain statewide retirement systems including the Assessors' Retirement Fund (ASSR) to grant increases in the monthly benefit, commonly called cost-of-living adjustments (COLAs), to retirees and other beneficiaries. Provides for eligibility for, the timing, and the amount of the COLAs. Limits the authority to grant a COLA based on the funded level of the system and the time since the last COLA was granted.

Present law, applicable to certain statewide systems, authorizes the ASSR 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 rate.

Present law allows the board to set the rate up to 3% higher than the actuarially required rate.

Present law, applicable to certain statewide systems including ASSR, provides for a funding deposit account (FDA) for the 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 ASSR board of trustees to use excess investment earnings to provide a COLA of up to 3% of the original benefit to retired members or their beneficiaries. Limits the annual amount of the COLA to \$300.

Proposed law removes authority for using excess investment earning to fund COLAs and makes the FDA the sole authorized funding source.

Proposed law applies any percent increase to the current benefit. Removes the \$300 annual cap.

Proposed law provides that the COLA begins on Oct. first, following the board's approval.

Present law limits the authority of certain statewide system boards to grant a COLA based on funding level and the date of 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 ASSR board to grant a COLA in any fiscal year in which the system is more than 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. Excludes the money that will fund the COLA from the determination of funded ratio under proposed law.

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

- (1) The total of the 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 ASSR board to grant a COLA of a dollar amount based on 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 this 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 ASSR, 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 funds to be used to pay any COLA otherwise authorized by present law.

Proposed law authorizes the ASSR board to grant a COLA of up to 2% of the current benefit to recipients who are 65 years of age or older funded by funds 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 as defined in present law.

Proposed law removes the limitations of present law for ASSR.

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

(Amends R.S. 11:1404(A), 1461, and 1481(1)(b); Adds R.S. 11:1485; Repeals R.S. 11:105(A)(1), 106(A)(1), 107(A)(1), 107.1(A)(1), 242(B)(1), 243(A)(1), and 246(A)(1))