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DIGEST

SB 17 Engrossed

2026 Regular Session

Talbot

Present law authorizes certain statewide retirement systems, including the Registrars' of Voters Employees' Retirement System (ROVERS), to grant increases in the monthly benefits, commonly called cost-of-living adjustments (COLAs) to retirees and other beneficiaries. Present law also establishes eligibility requirements, timing, and benefit amounts for COLAs while limiting granting authority based on the system's funding level and time elapsed since the last COLA.

Proposed law retains present law.

Present law, applicable to certain statewide systems, authorizes the board of trustees of ROVERS to set employer contribution rates above the actuarially required contribution rate calculated in accordance with present law (R.S. 11:103). The board is allowed to set a rate between the current rate and the actuarially required rate. Additionally, the board may set the rate up to 3% higher than the actuarially required rate.

Proposed law retains present law.

Present law, applicable to certain statewide systems including ROVERS, 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. Further 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 ROVERS board of trustees to use excess investment earnings to provide a COLA of up to 3% of the original benefit to members who have been retired at least two years.

Proposed law makes the FDA the sole authorized funding source for COLAs by removing the authority to use excess investment earnings; applies any percentage increase to the current benefit rather than the original; clarifies that the COLA is paid to retirees, beneficiaries, and survivors; and provides that the COLA begins on July 1st following board approval.

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

(2) At least 80% but less than 90% funded, and no COLA was granted in the last two years.

(3) At least 70 % but less than 80% funded, and no COLA was granted in the last three years.

Proposed law retains present law and authorizes the ROVERS board to grant a COLA in any year in which the system is more than 100% funded; defines that the funded ratio 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 (A) the total of the number of years of credited service accrued at retirement or at death of the member or retiree plus (B) the number of years since retirement or since death of the member or retiree. Further provides that if there are not sufficient funds to fund the benefit at the rate of one dollar per year for such total number of years (A+B), then the rate shall be reduced in proportion to the amount of funds that are available to fund the COLA.

Proposed law allows the ROVERS board to grant a COLA of a dollar amount based on (A) the years of service credit and (B) the years since benefit payments began. Allows the board to use more than one dollar as the multiplier and to have different multipliers for A and B. Limits the selection of the multiples to be 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 retains present law for other systems.

Present law, applicable to certain statewide systems including ROVERS, 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 ROVERS 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 money in the FDA. Specifies that this may, but is not required to, be in addition to any other COLA granted. Retains present law for other systems.

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

(Amends R.S. 11:2073; adds R.S. 11:2145; repeals R.S. 11:105(A)(6), 106(A)(4), 107(A)(5), 107.1(A)(5), 242(B)(6), 243(A)(6), and 246(A)(6))