2011 REGULAR SESSION
ACTUARIAL NOTE HB 214

House Bill 214 HLS 11RS-784 Original **Author:** **Representative Herbert B. Dixon** **Date: May 2, 2011** **LLA Note HB 214.01** **Organizations Affected:** **Municipal Police Employees' Retirement System** **OR NO IMPACT APV**	**The Note was prepared by the Actuarial Services Department of the Office of the Legislative Auditor.**  **Paul T. Richmond, ASA, MAAA, EA** **Manager Actuarial Services**

Bill Header: RETIREMENT/MUNICIPAL POL: Allows a member to designate a trustee for survivor benefits payable to a child.

Cost Summary:

Actuarial Cost/(Savings) to Retirement Systems and OGB	$0
Total Five Year Fiscal Cost	
Expenditures	$0
Revenues	$0

Estimated Actuarial Impact:

The chart below shows the estimated increase/(decrease) in the actuarial value of benefits, if any, attributable to the proposed legislation. Note: it includes the present value cost of fiscal costs associated with benefit changes. It does **not** include present value costs associated with administration or other fiscal concerns.

Actuarial Cost (Savings) to:	**Increase (Decrease) in The Actuarial Present Value**
All Louisiana Public Retirement Systems	$0
Other Post Retirement Benefits	$0
Total	$0

Estimated Fiscal Impact:

The chart below shows the estimated fiscal impact of the proposed legislation. This represents the effect on cash flows for government entities including the retirement systems and the Office of Group Benefits.

EXPENDITURES	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**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	0	0	0	0	0	0
Annual Total	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

REVENUES	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**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	0	0	0	0	0	0
Annual Total	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

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Bill Information:

Current Law

Current law provides members of the Municipal Police Employees' Retirement System (MPERS) with survivor benefit payable upon the death of an active member or disability retiree. These survivor benefits are payable in different amounts depending on whether the deceased member left a surviving spouse and/or children.

Proposed Law

Proposed law provides that if a deceased member is not married to the natural parent of his surviving children at the time of death and if a trust has been established under law for the benefit of such children, the system shall pay the children's benefit to the designated trustee of such children.

Implications of the Proposed Changes

The proposed legislation does not change the amount of the survivor benefit payable to surviving children. The proposed legislation changes where funds are paid under certain circumstances (to trustee instead of the children directly).

Cost Analysis:

Analysis of Actuarial Costs

Retirement Systems

HB 214 will have no effect on the actuarial cost. This bill does not change the amount of survivor benefits.

Other Post Retirement Benefits

There are no actuarial costs associated with HB 214 for post-retirement benefits other than pensions

Analysis of Fiscal Costs

There are no fiscal costs associated with HB 214. We have not yet received information from MPERS related to the fiscal cost of HB 214, therefore, we assume there will be no additional administrative costs to implement this bill.

Actuarial Credentials:

Paul T. Richmond is the Manager of Actuarial Services for the Louisiana Legislative Auditor. He is an Enrolled Actuary, a member of the American Academy of Actuaries, a member of the Society of Actuaries and has met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Dual Referral:

Senate	**House**
☐ 13.5.1 ≥ $100,000 Annual Fiscal Cost	☐ 6.8(F)(1) ≥ $500,000 Annual Fiscal Cost
☐ 13.5.2 ≥ $500,000 Annual Tax or Fee Change	☐ 6.8(F)(2) ≥ $100,000 Annual SGF Fiscal Cost
	☐ 6.8(G) ≥ $500,000 Annual Tax or Fee Change