# 2011 REGULAR SESSION
# ACTUARIAL NOTE HB 481

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| **House Bill 481 HLS 11RS-800 Engrossed with House Committee Amendment #1477**<br><br>**Author: Representative Taylor F. Barras**<br>**Date: May 9 , 2011**<br><br>**LLA Note HB 481.02**<br><br>**Organizations Affected:**<br>**Assessor's Retirement Fund**<br><br>**EG NO IMPACT APV** | **The Note was prepared by the Actuarial Services Department of the Office of the Legislative Auditor.**<br><br>Paul T. Richmond<br>**Paul T. Richmond, ASA, MAAA, EA**<br>**Manager Actuarial Services** |

**Bill Header:** RETIREMENT/ASSESSORS: Relative to the Louisiana Assessors' Retirement Fund, provides for compliance with applicable federal tax qualification requirements

**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 administrative 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 does not contain all the provisions necessary for the plan to retain its qualified status under the Internal Revenue Code.

**Proposed Law**

Proposed law will contain the necessary provisions for qualification by the Internal Revenue Service.

**Implications of the Proposed Changes**

The technical corrections associated with HB 481 have minimal effect on benefits payable from the plans.

**Cost Analysis:**

**Analysis of Actuarial Costs**

**Retirement Systems**

There is no actuarial cost associated with HB 481.

**Other Post Retirement Benefits**

There is no actuarial cost associated with HB 481for post-retirement benefits.

**Analysis of Fiscal Costs**

Louisiana Assessors' Retirement Fund anticipates no additional administrative costs associated with HB 481.

**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**

☐ 13.5.1 ≥ $100,000 Annual Fiscal Cost

☐ 13.5.2 ≥ $500,000 Annual Tax or Fee Change

**House**

☐ 6.8(F)(1) ≥ $500,000 Annual Fiscal Cost

☐ 6.8(F)(2) ≥ $100,000 Annual SGF Fiscal Cost

☐ 6.8(G) ≥ $500,000 Annual Tax or Fee Change