

Regular Session, 2012

HOUSE BILL NO. 988

BY REPRESENTATIVE JONES AND SENATORS NEVERS AND WARD

VETOED
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Veto Message

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AN ACT

To amend and reenact R.S. 11:546(C) and 2257(C) and to enact R.S. 11:444(A)(2)(d), 546(D), (E), and (F), and 605(D), relative to retirement benefits for persons employed in public safety positions; to provide for benefit calculation and options for payment of such benefits; to provide for funding of such benefits; to provide relative to the deferred retirement option plan participation; to provide for qualifications; to authorize an extension of the period for members currently in the plan; and to provide for related matters.

Notice of intention to introduce this Act has been published as provided by Article X, Section 29(C) of the Constitution of Louisiana.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:546(C) and 2257(C) are hereby amended and reenacted and R.S. 11:444(A)(2)(d), 546(D), (E), and (F), and 605(D) are hereby enacted to read as follows:

§444. Computation of retirement benefit

A.

* * *

(2)

* * *

(d)(i) Probation and parole officers in the office of adult services of the Department of Public Safety and Corrections who were employed on or before December 31, 2001, who did not opt to join the secondary component of this system pursuant to R.S. 11:605(A), and who retire or begin participation in the Deferred

1 D.(1) Until any actuarially accrued liability for retirement benefits for
2 probation and parole officers in the office of adult services of the Department of
3 Public Safety and Corrections created pursuant to the Act of the 2012 Regular
4 Session of the Legislature that enacted this Subsection has been fully funded, the
5 monies in the fund shall be used exclusively for the purpose of providing funding for
6 such actuarially accrued liability, for payment of any normal cost increase caused by
7 the Act of the 2012 Regular Session of the Legislature that amended this Subsection,
8 and for reimbursement as provided in R.S. 11:605(D)(2).

9 ~~(2) If the legislature does not provide for such benefit enhancements by June~~
10 ~~30, 2015~~ After such actuarially accrued liability has been fully funded, all monies in
11 the fund shall be ~~available to the Department of Public Safety and Corrections to~~
12 ~~help defray the costs of supervision of persons on probation or parole~~ distributed by
13 the treasurer on an annual basis to the retirement system for exclusive use in
14 payment of the unfunded accrued liability of the system.

15 E.(1) As soon as practicable after the effective date of the Act of the 2012
16 Regular Session of the Legislature which enacted this Subsection, but no later than
17 September 30, 2012, the treasurer shall allocate and distribute to the system from the
18 fund an initial payment of two and one-half million dollars. This payment shall be
19 used first to fully fund the first year's normal cost increase. The balance shall be
20 applied to the amortization of the unfunded accrued liability, if any, created by
21 enactment of R.S. 11:444(A)(2)(d). The June 30, 2012, system valuation shall
22 account for this initial payment.

23 (2) On October 1, 2013, and on or before October first of each fiscal year
24 thereafter, the treasurer shall allocate and distribute to the system from the fund the
25 amount of any amortization and normal cost payments calculated by the system
26 actuary and contained in the system's valuation for the previous fiscal year and
27 approved by the Public Retirement Systems' Actuarial Committee to be paid from
28 the fund; however, in no case shall the allocation and distribution to the system
29 provided for in this Paragraph exceed the balance in the fund.

1 (3) In addition to the payment required by Paragraph (2) of this Subsection,
 2 on or before October first of each fiscal year, the treasurer shall allocate and
 3 distribute to the system from the fund any amount over four hundred thousand
 4 dollars of the balance remaining in the fund after the payment required by Paragraph
 5 (2) of this Subsection has been made. Thereafter, not less than quarterly, the
 6 treasurer shall allocate and distribute to the system any balance remaining in the fund
 7 exceeding four hundred thousand dollars. The system shall hold these allocations
 8 and distributions in a separate account to be used only for the following purposes:

9 (a) Funding the next fiscal year's payment for actuarially accrued liability
 10 and normal cost payable pursuant to Paragraph (2) of this Subsection, if the balance
 11 in the fund is insufficient to fully finance that fiscal year's payment.

12 (b) To make an additional payment toward the actuarially accrued liability
 13 created by the Act of the 2012 Regular Session of the Legislature that enacted this
 14 Subsection.

15 (4) Any unpaid portion of an amortization or normal cost payment for a
 16 particular fiscal year shall be included in the next year's system valuation as part of
 17 an individualized calculation pursuant to R.S. 11:102(C)(3) and (4).

18 F. After allocation and distribution to the system for a fiscal year pursuant
 19 to Paragraph (E)(2) of this Section, the treasurer shall allocate and distribute to the
 20 department from the fund the amount of any reimbursement to be paid pursuant to
 21 R.S. 11:605(D)(2).

22 * * *

23 §605. Transfer of other service credit

24 * * *

25 D.(1) Notwithstanding the provisions of Subparagraph (B)(2)(a) of this
 26 Section, any member who is a probation and parole officer in the office of adult
 27 services of the Department of Public Safety and Corrections, who was employed on
 28 or before December 31, 2001, who elected to transfer from the primary component
 29 to the secondary component but who opted not to transfer his primary component
 30 service credit on an actuarial basis, who has not upgraded his service credit as

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 vetoed by the governor and subsequently approved by the legislature, this Act shall become
2 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

VETO MESSAGE

House Bill No. 988 by Representative Jones retroactively increases benefits for certain adult probation and parole officers within Louisiana State Employees' Retirement System (LASERS).

The beneficiaries of the changes in House Bill No. 988 are not asked to pay more to support these increased costs, even though adult probation and parole officers who have received similar increases in benefits were required to fund the upgrade. LASERS has asked for a veto of the bill.

Louisiana's public pension systems impose a large burden on Louisiana taxpayers. We cannot continue to raise state retirement benefits at the expense of other critical areas like higher education and healthcare.

I vetoed House Bill No. 478 of the 2011 Regular Session, which included similar provisions.

For these reasons, I have vetoed House Bill No. 988 and hereby return it to the House of Representatives.